

CURRENT History

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February, 1964

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Developments in Burma

by JOSEF SILVERSTEIN, Assistant Professor of Government, Wesleyan University;

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Indonesia

by AMRY VANDENBOSCH, Director of the Patterson School of Diplomacy and International Commerce, University of Kentucky, and author of "Dutch Foreign Policy since 1815: A Study in Small Power Politics";

Pakistan

by NORMAN D. PALMER, Professor of Political Science, University of Pennsylvania, and author of "The Indian Political System."

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CURRENT History

JANUARY, 1964

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In this issue, specialists examine political and economic conditions in six areas of Latin America. How stable are the Latin American states? What relationship have these nations to the United States? As our first author points out: "For some time, Brazilian leaders have contended that their nation's failure to receive international recognition results from the world's image of Brazil as a 'satellite' of the United States."

Potential in Brazil

By JOHN J. JOHNSON

Professor of History, Stanford University

BRASIL HAS been called "the country in Latin America with the most of everything." The claim is figuratively, if not literally, true. Brazil has the most area, a half of South America. It has the most people, and its population is increasing at a phenomenal 2,250,000 per year (five Latin American countries have populations smaller than the annual increase in Brazil). Brazil has the most foreign debt (\$2.7 billion at the end of 1962); amortization and interest charges, were they to be met, would require over 40 per cent of the Republic's foreign exchange earnings. Brazil has the most inflation. It has the most illiterates. It has the most people living under substandard conditions. It has an urban housing shortage of between two and three million units. Rio de Janeiro alone has 650,000 persons massed in its deplorable *favelas*. Everywhere one sees grim poverty and glaring deficiencies in education, housing, and public health. Only 14 million out of a total of 77 million are served by water works and sewer systems. Brazil has the most voters, the most workers, the most consumers, and the greatest eco-

nomic potential. Also, to date Brazil has received the most assistance from the United States.

Space dictates that we speak of this "most-of-everything country" as a single unit, which, of course, it is not. The United States Ambassador to Brazil, Lincoln Gordon, has found that Brazil is in at least four stages of economic development simultaneously. The northeast of the country is a "Texas-sized-slum," which makes national averages largely meaningless. Nine of Brazil's central and northern states contain more than three times as much territory as the nations comprising the European Common Market, but these nine Brazilian states have less than 20 million inhabitants, whose average annual income is but \$140, and among whom illiteracy rates range from 40 to 90 per cent.

The central southern area also upsets the averages. It is vigorous. It has wealth. It has public services to care adequately for a large part of its population. It is with this area in mind that optimists speak of "a great state awakening." President João (Jango) Goulart is one such optimist, saying in his

New Year's message that nothing justified despair or pessimism. But the list of optimists appears to be growing shorter. There is deep concern that Brazil may not regain the momentum which carried it to unprecedented heights of economic growth between 1950 and 1960. There are fewer now who believe that "God is a Brazilian."

The recent record makes it clear why some are losing faith. A study of the long-range prospects makes it equally clear why many do not lose faith and, especially, why many feel the United States should not abandon Brazil at this crucial juncture in its development.

In writing about Brazil today four essential problems must be considered—*inflation*, the *economic slow-down*, *educational backwardness*, and the position of the *bureaucrats*.

INFLATION

During the past months *inflation* has captured most of the headlines from Brazil. Living costs, after rising by 40 per cent in 1961 and 50 per cent in 1962, continued to soar in 1963. As the year drew to a close it was anticipated that 1963 would show an increase of at least 70 per cent in living costs. Other figures, using 1958 as a base, indicate that consumer price levels in the city of São Paulo had almost quadrupled by 1962. By last October, a severe drought in the agriculturally rich states of Minas Gerais, Mato Grosso, São Paulo, Rio de Janeiro and Paraná was giving added impetus to spiraling food prices.

Money in circulation tripled between 1956 and 1960; there was a 40 per cent annual increase during 1961 and 1962. The increase in the money supply has been reflected in the value of the *cruzeiro*, which plummeted on the open market, from 180 to the dollar in 1960, to 1250 to the dollar by November, 1963. The instability of the *cruzeiro* has encouraged spending and discouraged saving. It can now be said of discontented Brazilians what was said earlier of frustrated Chileans: "The rich throw vegetables; the poor, money." There is no question but that Brazil has been on a binge and that a hangover is inevitable.

It is probable that the *inflation* will get

worse before it improves. This is because there are still individuals in positions of influence who believe in *inflation* or, at least, do not find the alternatives acceptable. They feel that *inflation* is a natural corollary of growth in developing states without dependable sources of foreign exchange, and that, in the short run, *inflation* cannot be curbed by monetary or fiscal measures without provoking unemployment and decelerating the rate of economic expansion. As a clincher to their argument they point out that, despite *inflation*, Brazil has had one of the most dynamic economies in the world. It enjoyed an annual average growth in real production of seven per cent during the 1950's, while many countries with sound currencies were in the throes of economic stagnation. The thinking of the "inflationist" element in Brazil has given encouragement to those politicians, including, it would appear, President Goulart, who do not find it expedient to support *austerity programs*—programs that up to now in Latin America have placed the primary burden on the working groups.

The evidence, however, appears to support those who contend that *inflation* in Brazil no longer promotes development, or benefits any social-economic group. This "anti-inflationist" element claims that the *inflation* has resulted from large government deficits, financed by increasing the money in circulation, and from irresponsible expansion of credit, much of which has been wasted in non-productive channels. They also contend that Brazil's rate of economic growth can be explained in terms of its favorable international trade position until the early 1950's and, since then, by the huge loans made by the United States largely to repay Brazilian creditors. The anti-inflationists feel that if *inflation* is to be stopped before it generates explosive tensions, Brazil must promptly institute sweeping monetary and fiscal reforms supported by still more massive loans.

ECONOMIC SLOW-DOWN

Brazil's economy has drifted since 1960 and the GNP rate of growth currently stands at approximately one half or less of the 1950-

1960 average. The slow-down has served to point up several dangerous flaws in the nation's economic structure. Management personnel is incompetent; too often the criteria for selection of key officers in private industry are family relationships rather than managerial skills. The State refuses to pay salaries that will attract top quality men and then tolerates corruption by the generally mediocre individuals it relies upon to run public-controlled enterprises. Skilled laborers who might be trained as competent shop foremen are extremely scarce and shift from job to job haphazardly. The collection of statistical data is in an elementary state of development. Neither private producers nor the Government know what the population needs or wants. Power and transportation (except perhaps air transportation) are inadequate to satisfy the requirements of an expanding industrial economy.

Then, too, the often localized industrial development disturbs the economy by contributing to regional concentration of income. For example, the state of São Paulo, around which the national economy gravitates, grows richer while the economically depressed areas, such as the northeast, stand still or grow even poorer. As long as labor remains underpaid, and poorly organized, there will be little incentive for industry to leave the urban centers where its purchasing power is greatest. The process of economic expansion has been made more difficult by deficiencies in domestic fuel production—an item which currently takes \$250 million a year from Brazil's meager foreign exchange earnings.

Sixty per cent of all Brazilians (as opposed to 54 per cent of the Latin America population as a whole) are dependent upon the land. Agriculture—particularly that part of it devoted to production for domestic consumption—is woefully backward and lacking in technology. Farm hands earn hardly a seventh of what industrial workers do.

Efforts to correct this situation are complicated by a number of circumstances. There are not nearly enough farm agents to instruct small farmers in new techniques. Half of the farm land is owned by 2.6 per cent of the

landholders and 22.2 per cent of the total farm land by only .5 per cent of the landholders.

In many cases the largest landholders lack the resources, or credit, to make their properties economically viable. Farm owners use their legislative strength to prevent inroads into their privileged position. To date the central government has felt compelled to move cautiously because any reform program which would seriously upset the agricultural economy would produce an immediate drop in foreign exchange earnings from agriculture.

The seriousness of the present industrial slow-down and the lag in the agricultural sector become apparent when it is realized that Brazil, because of its very rapid rate of population growth, must create approximately the number of new jobs each year as does the United States, which has a population two and one half times Brazil's.

EDUCATIONAL BACKWARDNESS

Educational opportunity is the key to social mobility and constructive social change. Brazil has a miserable record on offering its people a chance for self-improvement through academic training. No major country in Latin America has been so irresponsible in this regard. Half of Brazil's school-age population is illiterate, as opposed to approximately 12 per cent in Argentina. No more than 25 per cent of the population has attained the third grade level. Less than one per cent of those who enter school graduate from a university. In 1962, only one in three of those who were prepared to enter a university could be accommodated.

Experts maintain that Brazil should be investing four per cent of its GNP in education but it is in fact investing only half that amount—a smaller share than does Latin America as a whole (the United States in 1962–1963 invested 5.8 per cent of its GNP in education, 75 per cent of which was from public sources). Until Brazilian educators cease to treat learning in cultural isolation and begin to relate it directly to economic expansion, the politicians will not be convinced that resources put into education constitute

capital investment. As long as present attitudes prevail, education's share of public spending will continue to be grossly inadequate.

THE BUREAUCRATS

Needless to say, there are many capable, dedicated civil servants in Brazil, but the Brazilian bureaucrats in general leave much to be desired, in terms of both skill and dedication. At least 40 per cent of government expenditures are allocated to civil servants' wages, compared to 14 per cent in the United States. Still, any comparison of the services rendered in the two countries would not be valid: bureaucrats are ridiculously underpaid in Brazil. Prior to mid-1963, many government services of a peripheral nature had been halted because of inflation and budgetary cuts; and, in extreme cases, agencies have been allocated only enough funds to meet payrolls.

THE MILITARY

Historically, Brazil has been fortunate in having a military establishment which has shown considerable respect for constitutional processes. However, since the resignation of Jânio Quadros in August, 1961, several developments have called into question the future of the armed forces. Wounds incurred during the intra-military struggle over whether or not João (Jango) Goulart should be permitted to be sworn in as chief executive have not healed. Politicians have taken advantage of this situation to keep the armed forces off balance. Political meddling in essentially professional matters has encouraged many high-ranking officers to take strong positions on current national issues at the price of weakening the military's "neutral role" as defender of the national constitution.

Also, some officers, in the hope of strengthening their political influence, have made deals with non-commissioned officers, a group that in the past has not figured in armed forces' decision making. Although it is too early to predict with any degree of certainty the significance of this development, it seems safe to say that it portends more, rather than

less, disorganization in the military services. Without the stabilizing influences of a military largely in agreement on basic issues, Brazil could succumb to constant political crises such as those in Argentina since 1955. There is, of course, no guarantee that the armed forces, even should they reconcile their disputes, could continue to exercise the same "moderative power" that they have in the past. A widening political arena will probably complicate the picture.

THE ECONOMIC POTENTIAL

As observed above, Brazil, during the 1950's, established its ability to expand economically. The nation's industrial production nearly tripled. Power production more than doubled between 1955 and 1961. In those six years, automobile output jumped from 30,000 to 146,000. Brazil is now the world's eighth largest producer of automobiles and is beginning to export them to neighboring republics. In the same span of years, iron and steel production rose from 1.3 million to 2.5 million tons and Brazil currently accounts for 46 per cent of Latin America's steel production. Per capita real income at present is more than double what it was in 1950. The urban middle sectors are expanding and are buying domestically-produced semi-durable goods at unprecedented rates. The soft goods market, already growing faster than in any other Latin American country, is only beginning to be tapped.

The central southern area has a firm agricultural and industrial base from which to push forward. The World Coffee Agreement reached in mid-1963 promises to benefit Brazil by raising coffee prices. In short, Brazil has a promising future once the admittedly huge faults in its economic and administrative structures are remedied.

THE POLITICAL CLIMATE

The Brazilians are among the most politically sophisticated people of Latin America. In January of 1963, when a plebiscite by a five-to-one vote, returned the country to the presidential system after a brief and stormy foray into parliamentarianism, the nation

once again reaffirmed its capacity for peaceful resolution of its political controversies. Earlier, in October of 1962, Brazilian voters, of whom there are now 17.5 million, continued their movement to the left, while also showing their preference for political moderation. With few exceptions they rejected extremists of both the right and left, which may be taken to mean that the articulate minority was not yet ready to seek desperate solutions to its problems.

UNIMPRESSIVE RECORD

The moderation of the voters in the October, 1962, election came as a surprise to many, especially in view of the unimpressive record of the nation's political leadership. That record showed, and continues to show, that those entrenched at the top are reluctant to meet certain needs—1) to give democracy reality by encompassing the historically marginal groups into the social body, 2) to allocate adequate public funds for social reform, 3) to support tax legislation which would put significantly greater burdens upon the more affluent elements (Brazil's national revenues amount to only 8.6 per cent of the GNP, the lowest in Latin America; the United States's equals 19 per cent), 4) to take agrarian reform seriously.

As late as October, 1963, the Brazilian congress once again refused to pass legislation that would have allowed the state to pay for expropriated farm lands with public bonds.

In a more progressive frame of mind, congress had in March passed a labor law which permitted the creation of rural unions. As of late October, 1963, São Paulo was the only state in which rural unions had gained momentum. There the Catholic Church, which through its hierarchy had taken an enlightened position on land reform (including support of legislation which would permit payment for expropriated land in the form of public bonds), is the dominant influence in the unions. Elsewhere, the peasant problem recently has failed to win the attention that it gained one or two years ago.

Legislative irresponsibility must be shared by all major parties. The opposition groups,

however, have assumed an almost purely negative approach, seeking to cripple the President's program by attacking him variously as a politically incompetent opportunist, a potential dictator, and a Communist sympathizer. President Goulart may be, and probably is, incapable of able administration. Clearly he has not grown in his job. He is an opportunist, having learned his politics at the feet of ex-dictator Getulio Vargas, of whom it was said, "He is so clever that he can remove his socks without taking off his shoes."

There is little in Goulart's meteoric career (he was 43 when he became President) to suggest that he would shun a dictatorship should the possibility present itself. Herbert Levy, ex-head of the Democratic National Union Party (U.D.N.) has said that Goulart is by instinct a *caudillo*, a politician without the slightest ideological foundations. Goulart indeed has many of the characteristics that are ordinarily associated with dictators. He dislikes delegating authority. He surrounds himself with mediocrities. He makes decisions on the basis of his "feel for the subject." He is concerned first of all with power. He is inclined to allocate scarce resources to enterprises that attract public attention rather than into the more prosaic but basic projects.

COMMUNIST INFLUENCE

Goulart may be a Communist sympathizer. Raúl Ryff, who is Communist-oriented, if not a Communist, has consistently had access to Goulart as an adviser. Differences of opinion as to how committed the President is to the extreme left keep the armed forces divided. But it might be observed that most of the charges which are supposed to link him with communism are leveled against extreme nationalists throughout the underdeveloped world.

The Brazilian Communist party, outlawed since 1947, still enjoys considerable freedom in politics, but has been losing strength and currently has only about 25,000 faithfuls. Sixty per cent of the party's membership comes from the two states of São Paulo and Guanabara (Rio de Janeiro). There is a Chinese-oriented wing but the pro-Soviet ele-

ment is by far the stronger and is believed to be more closely tied to Moscow than any other Communist element in Latin America.

The Moscow-directed unit emphasizes the political struggle rather than the class struggle. Its principal objectives are to poison the investment atmosphere so that United States capital will shun Brazil and to weaken Brazil-United States diplomatic ties. Popular "foreign exploitation" slogans call attention to the facts that about 50 per cent of Brazil's industrial production comes from factories that are either fully or partly foreign-owned, and that the United States has \$2.5 billion invested in Brazil. Both wings of the Party have nuisance value, but neither wing has sufficient appeal to pose a political threat within the constitutional framework. Fidel Castro's influence, never as strong in Brazil as, for example, in Venezuela, has declined since the United States-Soviet confrontation over the Cuban missile bases.

THE STUDENTS

Brazilian university students give important ideological support to the Communists and *fidelistas*. The students, who number about 80,000, are organized on a nation-wide basis. Many of them have an exaggerated sense of national pride. This causes them: 1) to fear and resent foreign economic and political influence, 2) to search for quick social and economic solutions of the kind that the extreme left promises, and 3) to advocate "positive neutralism." Of course, not all students belong to the Communist left. On the contrary, this group constitutes a relatively small section of the national student body. A larger group, representing the militant non-Communist left, probably provides a useful antidote to politically more conservative elders.

But let us return to the charges of the opposition. Regardless of their validity, these charges are largely beside the point. Barring a military take-over, Goulart will be President until 1966. His policies, except possibly in foreign affairs, have not differed significantly from those of his two immediate predecessors, Juscelino Kubitschek, the leading figure in the Partido Social Democratico (P.S.D.), and

Jânio Quadros, an independent, whom the U.D.N. adopted in the hopes of improving its national position. Were the President inclined to alter his position radically he would be restrained by Congress; his own party, the Partido Trabalhista Brasileiro (P.T.B.) ranks only third in total congressional strength. Under such circumstances Brazil can ill afford the party bickerings and personal recriminations that have been given precedence over national issues. There is little wonder that Brazilians say "the nation advances while the politicians sleep."

BRAZILIAN-UNITED STATES RELATIONS

At least since World War II, Brazil has aspired to become a world power, but it has gone largely unheeded in world councils. For some time, Brazilian leaders have contended that their nation's failure to receive international recognition results from the world's image of Brazil as a "satellite" of the United States. Especially since the abbreviated term of President Quadros, Brazil's statesmen have been at pains to change that image. They have actively sought to strengthen Brazilian ties with Western Europe and the Communist bloc and to win acceptance as one of the leaders of the "neutral" countries. They believe that success in these areas would permit Brazil to pursue a truly "independent" foreign policy.

Furthermore, many Brazilians now hold the opinion that their new policy is beginning to pay off. Capital investment in Brazil by Western European countries has increased. Brazil has expanded its diplomatic and economic ties with the Communist countries and, as 1963 drew to a close, was optimistic about enlarging the exchange of coffee for petroleum. It is impossible to establish precisely Brazil's status in the neutralist bloc, but it appears to command considerable prestige. The recent visit of President Tito of Yugoslavia to Brazil called attention to Brazil's efforts to reduce its reliance on the United States.

Although Brazil has insisted that its new policy does not mean hostility towards the United States, but liberation from it, the fact

is that the policy has heightened tensions dangerously. Brazil's refusal to support forceful action against Cuba on the grounds that Cuba has a right to carry out its own political experiment, and President Goulart's rather clumsy efforts to moderate United States-Cuban relations, have rankled Washington considerably.

SORE SPOTS

Also, Brazil's voting with the Communist and neutralist nations against the United States at the Disarmament Conferences held in Geneva caused other sore spots that Brazilian leaders did little to heal when they maintained that the Moscow Treaty, banning certain types of nuclear testing, vindicated Brazil's stand at Geneva.

Then, very obviously, neither has the United States approved Brazil's strategy of following announcements of United States financial assistance with reports of steps being taken to enhance relations with the Communist bloc. Brazil's failure to come to terms over payments for I.T.&T. properties expropriated in 1962, and threats that other United States-owned properties may be nationalized have been irritants.

DEPENDENCE ON THE U.S.

More important perhaps to an understanding of the relations between the two countries is the fact that although Brazil pretends to be "free," it in truth is not and cannot be. The United States is Brazil's principle market and major supplier, as well as its primary source of loans and investment capital. This is why, to some in the United States, it has seemed illogical that Brazil should withdraw its traditional support of United States' foreign policy while expecting the United States to resolve Brazil's financial chaos and to guarantee an important part of its developmental program.

Senator Ernest Gruening of Alaska is one such person. Writing for the *New Republic* (March 30, 1963), he voiced strong objection to Brazil's repeatedly "bringing the pitcher back to the well." The concern of the United States business community has been mani-

fest in its reluctance, since 1960, to add to its investment in Brazil.

BASIC CONSIDERATIONS FOR POLICY MAKERS

The above discussion more or less naturally leads to the question, "What position should the United States take?"

Obviously, in such a situation, there are no simple answers. There are, however, some basic considerations that should not be forgotten in any discussion leading to the formulation of policy. First of all, Brazil's changing relations with the United States are the reflection of a transformation that Brazil is experiencing and which has led to a rejection of the old easy-going acceptance of existing conditions. Second, the United States needs to resist the temptation to "punish" Brazil because it has assumed greater independence in its foreign relations. It is important that Brazil not be allowed to stagnate lest it become a slum of near-continental proportions. Such a situation could easily lead to the failure of the Alliance for Progress. Third, it must be remembered that Brazil did not intentionally get into its financial mess nor has it any desire to remain in such a position. However, for the moment at least, it lacks the necessary political consensus to permit a unified financial policy. Fourth, Brazil can hardly be expected to administer its finances in a sophisticated, mature manner because it lacks the administrative organization to do so. Fifth, the politicians in Brazil, who would work more closely with the United States over the short term, are not necessarily the ones that would be the best for Brazil in the long run. Sixth, it is pointless to discuss whether the United States needs Brazil more than Brazil needs the United States. They both have much to gain from understanding and constructive cooperation.

John J. Johnson is a specialist in the field of Latin American history. He is the author of *Political Change in Latin America: The Emergence of the Middle Sectors* (Stanford University Press, 1958), and is well-known to *Current History's* readers.

Outlining the major obstacles to continued development in Colombia, this specialist says ". . . no 'social contract' exists—only the beginnings of a sense of 'community' is evident. Colombia must develop a set of social objectives, subject to . . . modification through time, but which can transcend changes in governments."

A Testing Ground in Colombia

By JOHN M. HUNTER

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WHAT ARE the images of Colombia? Atrocities in the hinterlands and terrorism in the cities are current news. Coffee-lovers may know her as the major source of shade-grown "milds" which are blended with harsher and cheaper Brazilian coffees. The ladies may know her as a principal source of fine emeralds. Others will recollect the support of Colombian troops in the Korean conflict, the Bogotá riots of 1948 during the meeting of foreign ministers, or the "liberation" of one of her provinces at the turn of the century to facilitate construction of the Panama canal. These are all bits and pieces; but there is more to this near neighbor, perched on the northwest corner of South America, whose capital, Bogotá, is closer to Washington than are either Los Angeles or San Francisco.

An understanding of Colombia must start with geography, the physical root of much of the country's social and economic behavior. The most spectacular geographic feature is the Andes. In the western portion of Colombia the Andes are a single range near the Ecuadorian border, but divide into three distinct ranges as they branch northward. The western range continues northward, terminating a couple of hundred miles from the Caribbean Sea in coastal plains and swampland. To the west and northwest are tropical rain forests

and the Panamanian border, an area which presents one of the most difficult construction tasks in the completion of the Pan American Highway.

The Cordillera Central, the second branch of the Andes, lies between the Cauca and the Magdalena rivers and extends northward, also terminating in the Caribbean coastal plain. This range includes the highest peaks, snow-capped the year round, with altitudes well over 17,000 feet. The eastern *cordillera* extends northeasterly, almost to the Caribbean and to the Venezuelan border. This range or branch is not so spectacular in height but massive in size; it includes two important temperate climate plateaus, the *sabanas* of Bogotá and of Boyacá.

The area of Colombia approximates that of Texas and California combined, but it is only the western and northwestern portion just described which is of great interest. This is the heart of Colombia where 85 per cent of the people live (total population about 15 million), the locus of urbanization and of economic activity.

To the east and southeast of the eastern *cordillera* lie the plains or *llanos*, roughly equal in size to Texas. In the north, these are rain-soaked grass lands, and to the south, they are tropical rain forests bordering Ecuador, Peru and Brazil (with access to the upper

Amazon at Leticia). These *llanos* have populations varying between 0.07 and 1.36 persons per square mile and play little part in the political and economic configuration of the country. It is not entirely clear why these plains, especially in the north, have remained so relatively unimportant. Partly, it is due to the difficulty of access to the centers of population to the west. The natural routes of communication are the Orinoco and Amazon rivers, neither of which leads to important international markets.

Then, too, Colombian trade policy has not encouraged exportation of the *llanos*' products. The government has not carried "civilization" to this region: law and order are largely the responsibility of the individual; few dirt roads and no hard surface roads exist; there are no railroads; apparently no one intends to do much about the basic productivity of the land. In any case, while the vast *llanos* may some day be of importance, they can be excluded from analysis of today's Colombia. Any long-term planning, however, should estimate their potential.

It is difficult to imagine Colombia's geographic features and to assess from afar their importance. Isolated examples can only give an impression. Bogotá, the capital city of approximately one million people, had *no* rail connections with either coast nor with any other principal city until the recent completion of the Atlántico railroad to Barranquilla (population 400,000) on the Caribbean. Prior to completion of that line, river boats plied the Magdalena from Barranquilla as far south as Honda (elevation 751 feet) and then goods were forwarded by narrow-gauge rail or truck up to Bogotá (altitude 8626 ft.), climbing almost a vertical mile in one 23 mile stretch. Alternatively, goods could enter at the Pacific Coast port of Buenaventura, cross the Cordillera Occidental by rail to Cali (population about 500,000, important in agriculture and industry) and through the valley of the Cauca. Then it was necessary to ship by truck across the Cordillera Central before resuming the rail journey to Bogotá. This is still the only practical route by motor vehicle to either coast. However, it requires

altitude changes of from 334 feet in Cali to nearly 11,000 feet on the pass in the Cordillera Central, to 1,000 feet at the Magdalena crossing and to 9,000 feet in Bogotá. The two extreme gradients are leaving the Sabana de Bogotá where one descends 7,500 feet in 42 miles and in leaving the pass for Cali where the decline is 5,300 feet in 14 miles! Highways are roughly comparable to those of perhaps 30 years ago in the United States, and heavy industrial goods come to Bogotá from Buenaventura at an average of nine miles per hour. The beauty is overwhelming in these changes in altitude at the equator; one literally goes from frigid lands to torrid in the course of an hour or so. (*Turismo* is, however, a sadly neglected potential source of foreign exchange.)

Historically, and for reasons of its geography, Colombia did not develop economically, as have most other Latin American countries, around a single dominant city. Bogotá, Cali, Medellín, Barranquilla (there are ten or more cities with populations of over 100,000) developed as regional, partially self-sufficient economic complexes. Only when these were reasonably well established did interregional trade become feasible as transportation facilities (especially highways) improved.

At the same time, the relative inaccessibility of foreign markets, and the expense and difficulties of importing (except for the coastal complex of Barranquilla, Cartagena, and Santa Marta), encouraged domestic diversification and relative self-sufficiency. In Colombia one gets a clear impression of an advanced degree of internal economic integration and diversification and a greater number of vigorous entrepreneurs than are found in the rest of Latin America. Furthermore, these two features appeared relatively early in the development process.

Geography also explains a significant air transport industry, boasting the oldest commercial airline in the New World. This is not to imply that Colombia's geography is an unmixed blessing or even, on balance, a blessing at all. The problems of high transportation costs are evident and the general ramification

fications are clear. There are, however, some effects which are not entirely obvious. The necessity to export low-bulk, high-value commodities, easily transported, led to specialization in coffee as opposed to grain, cotton, fruits, potatoes and so forth.

GOVERNMENT CENTRALIZATION

Geography notwithstanding, the Colombian government is strongly centralized with few functions reserved for the provinces and *municipios*. The orientation makes difficult the provision of such social services as education, health and agricultural extension, in the hinterlands. When a departmental governor must travel two days by mule to reach one of his county seats, it is difficult for central authority to concern itself with what goes on in such places. Centralization took place while major portions of the country were still geographically isolated, creating a difficult leadership and governing task. The terrain makes difficult even the maintenance of law and order; the apprehension of the bands of guerillas so much in the news is virtually impossible without massive expenditures on manpower and modern mobile weapons.

A knowledge of political and social history is crucial for understanding Latin America, and Colombia offers no exception in this respect. We must here be content with a cursory review of the last few years. Considerable social unrest in rural areas was evident during the late 1920's and early 1930's centering in rural areas and revolving around work and tenure conditions in agriculture. This and the depression were responsible for the election of Alfonso López (1934-1938) who headed a government with genuine liberal overtones. Among other things, a serious effort towards land reform was undertaken.

He was followed by the more staid, conservative Eduardo Santos (1938-1942). A second López term (1942-1945, terminated prematurely by resignation) displayed much less liberal fervor as its primary problems were adjustments to war-time conditions, although the taste for liberalism remained. This was demonstrated in 1946 when Liberals

won 797,970 votes against 565,849 for Conservative Mariano Ospina Pérez; but intra-party strife divided the Liberal vote and Ospina was elected. The political unrest increased and culminated in the Bogotá riots of 1948 after the assassination of Jorge Eliecer Gaitán, a Liberal leader.

Civil war developed, and Conservative Laureano Gómez won the election in 1949 virtually uncontested. Gómez was a despot, persecuting Liberals and dissident Conservatives alike. A quarter of a million people are thought to have been killed in the *violencia* of the Ospina and Gómez administrations. Gómez became intolerable and eventually was overthrown by the armed forces in June, 1953, and General Gustavo Rojas Pinilla assumed power.

For a time, civil liberties were restored and most guerrilla forces laid down their arms. The armistice was temporary and increasingly restrictive measures became necessary to maintain the military dictatorship. Besides being corrupt and inept, the regime threatened the position of the traditional oligarchy, and counterrevolution became inevitable. It came in May, 1957, and, consequently, a military junta ruled for some fifteen months thereafter.

LIBERAL CONSERVATIVE ALLIANCE

These events resulted in, if nothing else, getting the two traditional parties not only back on speaking terms but actually involved in mutual cooperation. The Liberal and Conservative leaders (including such strange bedfellows as Alfonso López and the then ex-interim president Alberto Lleras Camargo and the deposed and exiled Laureano Gómez) got together and formed the National Front (*the Frente Nacional*), working out an arrangement which must be unique in the annals of political science.

This plan was submitted to a national plebiscite in December, 1957, and was approved in the form of a constitutional amendment by a great majority. Under the new scheme, congressional elections were held in March, 1958; shortly thereafter Alberto Lleras Camargo was named as the new presi-

dent and the return to full constitutional government was completed August 7, 1958.

The essentials of the *Frente Nacional* agreement are the following: (1) The presidency alternates between the two parties for a period of 16 years on a four year rotation basis; a Conservative was to fill the position first. Disagreement among Conservatives and the obvious desirability of Lleras Camargo subsequently led to the election of a Liberal as the first president under this plan. (2) Furthermore, during this period, the country is ruled jointly under a parity arrangement whereby all political offices are divided equally between the Liberals and the Conservatives. For example, ministers are chosen equally from both parties, congressional seats divided equally, Liberals and Conservatives govern jointly in the departmental assemblies and municipal councils. (3) Still another provision requires legislative decisions by a two-thirds majority.

There are obvious problems and weaknesses in this arrangement. In the first place, it was a clear maneuver to snatch back the power to govern by those who had traditionally ruled; their desperation to gain this power can be seen in the sacrifices the parties made. Secondly, it is difficult under such an arrangement to hold either party responsible for an action or for inaction. It is, however, possible for opposition slates from both parties to be elected through the mechanism of anti-*Frente* slates. But, until now, the *Frente* has been a coalition of the center with some splinter groups from the extreme right or extreme left (in a relative sense); this means that any effective, concentrated anti-*Frente* coalition is not likely to develop. Growing dissatisfaction with the *Frente* may result in the election of increasing numbers of anti-*Frente* slates, effectively immobilizing the governing process with disastrous consequences. This happened in a relatively minor way in the bi-elections of 1960, but this course has apparently not increased in severity in more recent elections. Another difficulty arose in that first election when the Conservative Ospinistas and Laureanistas were roughly equally successful. "Parity"

was then interpreted to mean that the Conservatives' "due" was to be equally divided between the two factions which made necessary a reshuffling of Lleras's government.

The major problem the *Frente* faces is what it can do with the years of grace that it "bought" with the agreement. If it turns out to have been nothing more than a trick to maintain the oligarchy in power, it may survive its 16-year duration or may not. If, on the other hand, it produces a peaceful interim so that the serious business of economic and social reform can be undertaken, then the *Frente* is a real blessing. Some tentative steps were taken in this direction during Lleras's administration, but there is yet much to be done.

Whatever else one may think of the *Frente* arrangement, it exists, it did restore relative peace to the country. It survived its first major crisis when Liberals were required to vote for Conservative Valencia in the presidential elections of 1962—and did so. It has a great opportunity to serve the country constructively; whether it will do so remains to be seen. If it fails to act with courage and dispatch, social upheaval in some form is almost inevitable before the agreement runs out. This may occur even if the *Frente* acts wisely and quickly; moreover, there is little evidence yet that it is disposed, or able, to do so.

ECONOMIC CHANGES

Although one must be careful about inferring too much from the data, there is clear evidence that some radical economic changes have occurred in the country in recent decades. Tables 1 and 2, for example, indicate a marked relative decrease in agriculture, both as a contributor to income and as a source of employment. Particularly important has been the expansion of the secondary industries, manufacturing, commerce, and construction, whose contribution has increased from about 22 per cent of the total in 1945 to nearly 33 per cent in 1960.

These are substantial changes to have taken place in 15 years and indicate an increasing degree of industrialization which is considered by some to be nearly synonymous with

Table 1. PERCENTAGE DISTRIBUTION OF THE LABOR FORCE, SELECTED SECTORS, SELECTED YEARS

Sector	1925	1945	1958
Agriculture	65.8	59.9	51.6
Manufacturing, artisan industry	10.3	14.9	19.9
Construction	1.8	3.6	3.6

Table 2. PERCENTAGE OF NATIONAL INCOME PRODUCED, SELECTED SECTORS, SELECTED YEARS

Sector	1945	1950	1955	1960
Agriculture	38.4	40.8	38.0	35.3
Construction	1.6	1.5	1.5	3.2
Manufacturing	12.2	13.7	15.9	16.7
Commerce	8.3	8.9	7.8	12.8

Table 3. COMMODITY GROUPS AS A PERCENTAGE OF TOTAL IMPORTS, SELECTED YEARS

Group	1925-29	1953	1958
Consumer goods	43.5	19.7	7.9
Capital goods	32.2	38.2	26.6
Raw materials and intermediate goods	24.3	42.1	65.4

"development." Table 3 (adapted as are Tables 1 and 2 from my 1962 book, *Emerging Colombia*) confirms this impression with its indication of significant change in the import pattern. In part, this reflects the policy of import substitution (i.e., "protection"), and not much should be inferred from it regarding economic welfare.

Little can be said definitively about changes in per capita income as the data are too unreliable for measuring small changes. A crude estimate suggests a 25 per cent increase in per capita real income from 1945-1947 to 1955-1957, on the order of 2.5 per cent per year—a highly respectable and probably exaggerated result. Banco de la República figures suggest an average annual increase in real income of about four per cent from 1950 through 1960. If population increased at three per cent (a not unreasonable assumption), this suggests an increase in real per capita income on the order of one per cent.

The data support the impression that Colombia is developing: manufacturing is increasing while agriculture is decreasing in

relative importance; agricultural technology is improving and production of some new products has been outstanding; interregional specialization and trade have increased; and employment opportunities are available with higher income. But there has been no "income explosion," and it would be a mistake to assume that the "take off" is assured and uninterrupted future "flight" is an automatic consequence.

Among the factors contributing to Colombia's pattern of economic development are: the conscious policy of import substitution, the subsidization of agricultural production and diversification (especially cotton, oil seeds, rice), the critical shortages in World War II and the subsequent balance of payments pressures, the improved transportation facilities which have made large scale production feasible, "urbanization" caused by the violence of the early 1950's, and considerable foreign aid (principally from the United States). Concerning the latter, external public loan disbursements in the years 1952-1961 were \$594.4 million or 11.8 per cent of Colombia's total exchange earnings in the same period.

The last section presented an abbreviated impression of Colombia's recent economic development. It would be foolhardy to attempt to forecast whether this will continue or what new paths may be followed. There remain some major obstacles to continued development which should be examined.

The major problem is political stability, now marred in a superficial sense by terrorism and violence. More fundamentally, no "social contract" exists—only the beginnings of a sense of "community" is evident. Colombia must develop a set of social objectives, subject to experimentation and modification through time, but which can transcend changes in governments. It is important that such objectives emerge, that they be generally known and accepted, and that some organization (presumably the government) be entrusted with the task of pursuing them.

Some steps have been taken along these lines. Colombia has embarked upon an agrarian reform program; it has a ten-year

development plan; it has some notable semi-autonomous agencies designed to carry out broad social objectives. But most Colombians do not know of such policies and agencies nor what they seek to accomplish. The people are surely not deeply involved nor profoundly committed.

Parenthetically, de-centralization of some governmental functions—such as education—would contribute to this need for a sense of community and may even be essential. The people must learn to manage some social functions at the local level (mayors are appointed by governors), and some visible and direct relationship between tax collection and government services provided would help build this necessary spirit of identification.

SOCIAL UNREST

Present social unrest in Colombia is intimately related to the political situation. A part of it stems from the period of virtual civil war in the early 1950's in which it was socially acceptable to be a guerrilla. A substantial portion of the terrorism in rural areas appears to be "adult delinquency" carried over from the earlier period. Another part, and especially the urban terrorism of today, is very likely the result of growing leftist agitation. There are sections of the country which are virtually governed by Communist-like organizations which have existed since 1934-1936 when large coffee plantations were "expropriated" by the tenants. They have been operated as co-operatives ever since with the advice and guidance of Communist functionaries.

Under Gaitán and later under Rojas Pinilla, who has been described as a sort of inept Perón, the man in the street learned something of his political influence. He experienced the power of riots, demonstrations, bus-burnings and was inculcated with impatience. This was perhaps the first time he could make his wishes known and respected. But such political activity gives a bias to the sort of problems treated and perhaps an even more important bias in the treatment. Governmental reaction is likely to attack the violence itself, often ignoring, or even at the

cost of, the basic problem. Placating policies frequently are foolish and inconsistent with long-run objectives.

Observation of the 1958-1960 period indicates that a great deal of government policy was of the "brush-fire" variety, jumping rapidly from crisis to crisis and employing make-shift solutions. A certain amount of this is inevitable, but the habits of consistency and consideration of the longer range policies must also be formed.

Nearly all theories of economic development place capital accumulation in a central position, either as a cause or a symptom of that development. In order to produce more, one must have better and more tools with which to work. In 1960, I was involved in a study which made an effort to estimate capital requirements in Colombia through 1975 based on some very simple assumptions, among them that a 2 per cent increase in per capita income per year was the acceptable minimum. The study concerned only total amounts and not allocation among the various economic sectors, an important consideration in itself.

The allocation problem, however, merits one comment in passing. There is an increasing awareness of the importance of education as social capital. Education improves the quality of productive factors just as does better technology. Colombia, as most other underdeveloped countries, has consistently underallocated resources to this activity. General education is a certain route to loss of power and prestige by the oligarchy, and this may be a major explanation for the low value placed on education by Latin American decision-makers in the past.

Our estimates of capital requirements varied between 20.6 per cent of gross national product in 1960 and 10.6 per cent in 1975, an average of 15 per cent. The rather low figure for 1975 depends, of course, upon fulfilling the higher requirements for preceding years. Historical evidence indicates that these requirements are far above past investments. Capital accumulation for 1925-1938 was estimated at 12.5 per cent; for 1925-1945 at 6.3 per cent; for 1945-1958 at 11.4 per cent. I

was skeptical about the possibility of Colombia reaching the suggested targets, but Banco de la República data for 1960 indicate capital accumulation in the neighborhood of 18 per cent—somewhat short of the estimated requirements but a highly respectable achievement and well above the average requirement. There is nothing automatic in this process, and it takes a fairly sophisticated society and set of policies to convince a poor community not to consume a sixth to a fifth of its national product each year.

AGRICULTURE

Colombia's principal industry is still agriculture, and no doubt it will continue to be for some time to come. No discussion of present problems can fail at least to touch upon this. Colombia's agriculture is best characterized by its diversity. Its crops are of temperate, semi-tropical, and tropical climates. It has problems of *latifundia* and *minifundia* (large and small land holdings). Crops are grown on flat, rich, bottom lands and almost vertical slopes. Agrarian reform has been an active issue for nearly 30 years. Modern technology exists alongside the ox and wooden plow. Cropping for export is a major activity but so is farming for self-sufficiency.

"Rationalizing" agriculture is perhaps the fundamental development problem, the solution of which is extremely complicated.¹ On one hand, means must be found to require the economic use of large tracts held for purposes other than for income. Most coffee lands, however, are not suitable for other crops, and any diversification attempts must consolidate small *fincas* (properties) and move many people out of the mountains. All the problems of land tenure, agricultural extension, education, and credit are involved. It would be difficult to have arranged the agricultural structure to present more complex problems.

Colombia's international trade problem is essentially the coffee problem as 80 per cent of her export earnings come from sales of this product. A fall in the price of coffee of one

cent per pound is said to cost Colombia about one million dollars per year; and as long as the price of coffee fluctuates, she has recurrent balance of payments crises.

In one respect, internal diversification and industrialization make balance of payments problems more grave. Before, foreign exchange losses meant tightening consumer belts and, in part, doing without imported foreign luxuries. Now, however, industrial employment and growth depend upon foreign exchange earnings, and the problem is, in this sense, more severe.

This is not an easy problem to solve. Dependency on foreign sources can be reduced for particular imported goods but not for all items. The desire and necessity to import, on the contrary, will probably increase as development proceeds. Certain marginal measures may be helpful such as the establishment of a free trade zone and the better management of foreign exchange reserves. On the export side, one can hope for an effort to diversify the export list and for international agreements to relieve the external problems of coffee producing countries.

It is difficult to imagine any product which can be directly substituted for coffee. It is produced by small units in inaccessible places with economic characteristics which support relatively high transportation costs and physical characteristics which permit rough handling and long storage. Any conscious attempt to reduce coffee production, by even half, in favor of some other product would require structural changes in the economy, society, and population balance of unimaginable dimensions.

On the other hand, diversification "by sub-

(Continued on page 51)

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¹ See Albert O. Hirschman, *Journeys Toward Progress: Studies of Economic Policy-Making in Latin America* (New York: The Twentieth Century Fund, 1963.)

After examining the present situation in Argentina, this author writes: "Argentina's record suggests some sobering thoughts of broad application. It raises serious doubts about the notion, which has recently gained wide currency in the United States, that the political salvation of Latin America lies in the establishment of military regimes."

Argentina: A Fragmented Society

By ARTHUR P. WHITAKER

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ON OCTOBER 12, 1963, a 63-year-old country doctor, Arturo Illía, was quietly inaugurated as president of Argentina for the constitutional six-year term. One of 13 children of an Italian immigrant, Illía had practiced medicine (and politics) in a small town in the province of Córdoba, always living simply and never owning a car until he was 60. His party, the Popular Radicals (Unión Cívica Radical del Pueblo), had never before won a national election since its organization in 1957, though it had always run a healthy second or third. The Popular Radicals are essentially middle-class in membership and orientation. Argentina's middle class, the largest in Latin America, embraces about half of the total population; but it is politically divided and only half of its members, or one fourth of Argentina's 11.5 million eligible voters, support Illía's party.

The inauguration of such a man, representing such a party, seems to many observers an anticlimactic ending to the strife that has riven the Argentine nation ever since 1930, finally crippling it. Illía is a colorless figure compared with the earlier presidents. The least spectacular of them were prestigious army generals, and they also included the charismatic Juan Perón, 1946-1955, and Arturo Frondizi, who at the time of his inauguration in 1958 was hailed as "the man of destiny." The feeling of anticlimax is heightened

by the fact that, in the last phase before Illía took office, the conflict between Argentina's two main contending forces, the military and the Peronists, reached its peak in the establishment of a thinly veiled military dictatorship; this dictatorship, headed by a civilian puppet, José María Guido, was aimed against the Peronists. Illía did not belong to either group, and his inauguration left the conflict between them unresolved.

The anticlimax could hardly have been more complete. Yet to many, probably most, Argentines nothing could have been more welcome. They hailed this ending as the calm after the storm; they have seemingly had their fill of strife and heroics. What they want now is to get on with national recovery and development, so that Argentina may regain the leadership of Latin America in wealth, culture, and politics—a position that it held before its long cycle of internecine conflict was opened by an armed forces' coup in 1930.

I

But will this anticlimax in fact end Argentina's protracted conflict? There are many reasons for doubting that it will. In the Argentine political system the president is a key figure. Even if Illía displays greater talent for leadership than expected, he will still be a minority president. In the election, held on

July 7, 1963, he won only 26 per cent of the popular vote (2.4 million of 9.3 million votes cast). In the Electoral College (similar to the one in the United States) his Popular Radical votes had to be augmented by support from four minor parties to give him the necessary 51 per cent majority. In Congress, his party gained control only of the Senate; in the Chamber of Deputies, which has fewer than 200 members, it fell some 20 votes short of a majority. As a result, he can neither claim a popular mandate nor gain congressional backing without the support of other parties.

Moreover, Illía has to cope with many difficult problems such as those created by the maladjusted mass of Peronists, the refractory armed services, widespread unemployment, inflation and general economic disarray. Finally, he has to cope with Juan Perón and Arturo Frondizi, to whom Illía's election was a serious but by no means fatal reverse. Both Perón and Frondizi have substantial followings, and both are expert fishers in troubled waters. In the past they have often fought each other, but at times they have made common cause, and they may do so again at Illía's expense.

There is also room for doubt as to what this new administration will mean for Argentina's relations with the United States and the Alliance for Progress. If Illía's nationalistic campaign speeches were taken at face value, one could expect his attitude towards both Washington and the Alliance to be far less friendly than Frondizi's while he was president (from May, 1958, until the military ousted him in March, 1962). In his speeches, Illía called for the cancellation of Frondizi's contracts with foreign companies for the exploitation of Argentina's petroleum resources; most of these are United States companies, whose investments since 1958 total \$200 million.

Illía also promised to emancipate Argentina from foreign financial and economic control, such as that exercised by the International Monetary Fund under the Stabilization Plan adopted by Frondizi in 1958 with the support of the United States. This did not seem to augur well for the Alliance for

Progress, which would, like the Stabilization Plan, limit Argentina's freedom of action. To foreign capital investments, which Frondizi sought to promote, Illía was cool, though not unconditionally hostile. As for the Cuban question, on which even Frondizi had parted company with the United States, Illía apparently thought it enough to say that Cuba is no problem for Argentina since the Argentine people are too firmly attached to democracy to be influenced by a minor Communist agent like Fidel Castro.

After his election Illía at first spoke in more moderate terms, even regarding the petroleum contracts, and in his inaugural address on October 12 he gave the green light to Alliance for Progress projects in Argentina. A month later, however, he cancelled the contracts with foreign companies charging that they were illegally negotiated by Frondizi. The controversy over this question may be protracted.

OPPOSITION TO MODERATION

And if Illía's power is to be held at a low level by the conditions described above, will he ever be able to make his new moderation prevail? Moderation does not seem to sit well with Argentina's nationalists, who are legion, and his own appeals to nationalism during the campaign stored up trouble for his administration from that quarter. There are, to be sure, wide differences and disagreements among the various groups of Argentine nationalists; but none of them has ever been noted for sweet reasonableness and the largest of them is the one that can be expected to oppose Illía's moderation most strongly. This is the group of so-called popular or populist nationalists, which first emerged as a major force under Perón's leadership.

This movement can make maximum trouble for Illía because it expresses a nationalism of the masses and because it fuses foreign with domestic policy, making xenophobia and social revolution opposite sides of the same coin. It attacks Argentina's own "oligarchy" as *vendepatrias*, that is, men who have "sold their country" to foreigners, and it attacks as playing into the hands of the

oligarchy such measures as those aimed at promoting sound finance, free enterprise, and foreign investments.

How this force operates is illustrated by the case of the luckless Frondizi. Although historical parallels are never perfect, Illía now faces a situation obviously similar in important respects to the one that led to Frondizi's fall. Will he fare any better? Argentine society is so fragmented and consequently so unstable that prediction would be folly.

II

Illustrations of the fragmentation of Argentine society abound. Four will be described here because they are immediately pertinent to the present situation. These involve the political parties, organized labor, the Peronists, and the armed forces.

Before 1940, from two to four parties normally accounted for virtually all the votes cast in Argentina's national elections and the winner usually polled a majority of them. By 1963, however, fragmentation had proceeded so far that in the July election the four top parties aggregated only 76 per cent of the vote, the winner polled only 26 per cent, and 21 parties elected one or more members of the Electoral College. The same election gave seats to 24 parties in the Chamber of Deputies, in which formerly only five or six parties were represented.

To be sure, this could not have happened but for the fact that in 1963 Argentina abandoned the Sáenz Peña Law of 1910 (which was designed to promote the two-party system) and shifted to proportional representation. Obviously Argentina has accepted the fact of political fragmentation and has adopted a system which is likely to stimulate its further spread.

Moreover, almost all the many Argentine parties are split. This is true of the smaller parties, such as the Socialists and Christian Democrats, as well as of the two main groups, the Peronists and Radicals. The case of the Peronists will be discussed below. That of the Radicals is typical and highly important. Representing Argentina's big middle class, they would, if united, be much the largest

party (some 50 per cent of the electorate) and could control the country. Since 1957, however, they have been almost equally divided into two quite distinct and mutually hostile parties, the Intransigent Radicals, led by Frondizi, and the Popular Radicals. While a similar split occurred in the 1920's and 1930's between the orthodox or Irigoyenist Radicals and the Antipersonalist Radicals, fragmentation has now been carried even further. In the 1963 election the Radical party's two-way rift became three-way when the Intransigent Radicals divided, one group obeying Frondizi's order to cast blank ballots, while the other presented a party ticket and voted for it.

Organized labor presents a similar pattern of schism. Its biggest organization is the General Confederation of Labor, or C.G.T., which is made up of 135 unions with an aggregate membership of 2.5 million. The C.G.T. is split among three contending factions. The largest, with somewhat more than half the members, is made up of the Peronist unions; next, with one-third of the members, is a group of independent or democratic unions; and a third group, controlled by Communists or fellow-travelers, contains the rest. (These three groups are often referred to respectively as "the 62," "the 32," and "the 19," from the supposed number of unions comprised in each, but the figures are only approximate.)

This schism is only the beginning of organized labor's internal divisions. The Peronists are divided among themselves, as will appear below; the "independent" unions are independent of each other as well as of the Peronist majority in the C.G.T.; the *empleados* (white-collar workers) often clash with the *obreros* (blue-collar or no-collar workers); and so on. These discords have frequently frustrated the more militant labor leaders. One such occasion was the morrow of Illía's election, when the disgruntled Peronist leaders of "the 62" threatened a general strike and then were forced to call it off by opposition from the independent "32." This incident involved one of the major questions now under debate in Argentine labor circles: the

question whether organized labor shall continue the general political activities into which Peronist and Communist leaders have pushed it, or whether it shall concentrate on problems directly affecting the workers, as the independent unions urge.

Contrary to an impression widespread in the United States, Argentina's Peronists have never formed a monolithic bloc. While Perón was in power, they were a highly heterogeneous aggregation. Only Perón's leadership, maintained with the aid of official lures and pressures, held the Peronists together. Since Perón's fall eliminated the opportunists among them, the Peronists have moved somewhat closer to unity, mainly because of the fact that the great bulk of them come from a single social class, the workers; their citadel is "the 62." Peronism has not become a workers' movement only. For one thing, a smaller but influential component comes from the middle class. Thus, its outstanding leaders in recent years have included not only the head of the big Textile Workers' Union, Andrés Framini, but also a Buenos Aires doctor, Raúl Matera. Moreover, the movement has tended to become heterogeneous again because of its attractions for the protest vote. And finally, while many Peronists are still loyal to the exiled Perón, many others have become restive under the continued domination of the movement by an absentee landlord, now living comfortably in Spain. What the dissidents want is "Peronism without Perón." For a variety of reasons, they would even get rid of his name, changing the party tag from "Peronist" to "Justicialist."

How much unity the Peronist movement possesses and how effectively Perón controls it have been difficult to determine. Except in March, 1962, the Peronists have not been permitted (since 1955) to organize parties and present tickets. They have, however, been not only permitted, but also (like all other adult Argentines) required by law to vote, and we know fairly accurately how they voted. In the March, 1962, election, when they were allowed to organize and present tickets, they produced not one united party, but three major parties and several minor

ones. Perón appeared to exercise very effective control over the movement until 1963. On his orders the Peronists cast blank ballots in 1957 and 1960, and voted for Frondizi in 1958 and against him in 1962. Their votes averaged about one-fourth of the total votes cast until 1962, when they skyrocketed to more than one-third.

However, in the July, 1963, election Perón came a cropper. Under military pressure the ban on Peronist parties was renewed and by way of protest Perón again ordered the faithful to vote blank; but this time the blank votes dropped to 18 per cent, which was barely more than half the Peronist vote recorded the year before and less than half the figure confidently predicted by Peronist leaders on the eve of the election. Many Peronists, it seems, had grown tired of throwing their votes away and cast them for one candidate or another, mainly for Illía, whose nationalist campaign attracted them.

Perón's influence is by no means ended; 18 per cent is a tidy proportion of the Argentine vote, and it may go up again. At any rate his leadership has suffered a severe shock, and report has it that there is much soul-searching about future policy and tactics among political Peronists as well as in C.G.T. circles. This is one of the factors that make the outlook in Argentina so uncertain.

III

The armed forces are no exception to the Argentine rule of fragmentation. How could they be, when the officers mirror a fragmented society? Most of them come from the middle class, which is not really a class but only a

(Continued on page 51)

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Analyzing political structure in Ecuador, this writer says ". . . because personalismo is still the predominant feature of Latin American politics, state affairs revolve around personalities rather than political parties. The party in power is usually omnipotent, the other is in disgrace. . . ."

Ecuador's Socio-Political Mosaic

By EDMUND STEPHEN URBANSKI

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THE MILITARY junta's takeover of Ecuador's political helm on July 11, 1963, was only an incident in that country's political history. President Carlos Julio Arosemena was ousted by the military after 20 months, more for personal than political reasons. Arosemena's drunkenness had embarrassed his government for a long time, and did not contribute to Ecuador's prestige. The July incident was, however, not a revolution, but rather a palace coup d'état.

Military intervention was motivated by national indignation at the insults inflicted by the intoxicated President upon the United States' and other ambassadors during a state reception. This was the second coup in Ecuador within less than two years; the previous one was the ouster in November, 1961, of President José María Velasco Ibarra, whose constitutional successor was Arosemena.

Because *personalismo* is still the predominant feature of Latin American politics, state affairs revolve around personalities rather than political parties. The party in power is usually omnipotent; the other is in disgrace, its influence minimized. To start with, it should be pointed out that Arosemena was already a controversial statesman when he served under Ibarra. However, Velasco Ibarra was even more controversial and some knowledge about them both is indispensable in understanding the complex affairs of this

second smallest of all the South American republics.

Velasco Ibarra's political program was as ambivalent and puzzling as his personality. Swinging from the right to the left in highly expedient oratory, in which national slogans were frequently mixed with fascistic ideas, he often electrified the masses while antagonizing practical politicians. Many of the latter considered him more demagogue than statesman. To justify his erratic actions, he explained that "Ecuador is a very difficult country to govern." A former law professor, this "in-and-out" politician was President four times between 1934 and 1961, but actually completed only one full term. Accused of unconstitutional practices, he aroused not only his political opposition but also the military, who deposed him when feelings ran high against his administration. Nevertheless, the military also helped put him in the presidential chair whenever there was a mutual conspiracy against another regime.

In spite of his political caprices, Velasco Ibarra's full term (1952-1956) was quiet and in some respects positive, especially in agricultural growth as expressed in banana output. Although probably this was the consequence of the long-range economic planning and success of his predecessor, President Galo Plaza, whose balanced budget and fully democratic practices are still remembered by Ecua-

dor's citizenry, as is his friendship for the United States.

However, during Ibarra's last unfinished term of office (1960-1961), he failed to show much governing capacity or any intention of carrying out election promises with regard to long neglected public works. He was unable to cope with the economic chaos that erupted during this period. The considerable rise in the cost of living, low wages, the slow rate of economic growth and forsaken land reforms worsened the over-all situation and caused internal disturbances. Apparently he hoped for a new financial injection from the Alliance for Progress aid program. The Alliance, however, requires any beneficiary to introduce tax reforms in line with the country's wealth distribution to assure a certain degree of social justice and economic equality.

Velasco Ibarra tried to comply with this requirement. However, instead of increasing taxes on the great *haciendados*, whose traditionally low revenues were not commensurate with their wealth, he imposed a levy on over 30 articles of daily use, thus putting the economic burden on middle and low income consumers. This situation contributed to popular unrest and bloody demonstrations in many cities, especially in Guayaquil and Quito in which, according to Ecuadorian press reports, around 50 persons were killed and 150 persons wounded. At that time (November, 1961), Vice-President Arosemena, presiding over Senate meetings, publicly denounced the new taxes as unjust and accused President Velasco Ibarra of dictatorship.

REFORM-MINDED AROSEMENA

The aftermath of this political denunciation was short and dramatic. Arosemena was jailed by presidential order and the Congress was barricaded by army tanks. While the army itself remained loyal to the President, the air force and navy sided with Arosemena. This doomed Velasco Ibarra's unfinished term. Three jet planes flying over Congress dispersed the tanks which surrounded it. Velasco Ibarra was deposed from his office and sent into exile; Arosemena was released from jail and sworn in as Ecuador's forty-sixth

President. He solemnly vowed to obey the constitution and to uphold democracy, although his political sympathies were definitely leftist.

Events did not erase the doubts in certain political and military sectors with regard to Arosemena's political trustworthiness. Observers remembered his trip, as Vice-President, to the Soviet Union and his public announcement that Khrushchev was his friend. They recalled his official statement that he was going to support Castro's Communist government and establish diplomatic relations with "any country in the world." Later, under military pressure, he broke relations with Cuba, and some of the measures his administration took seemed to indicate a certain degree of political moderation, in spite of criticism drawn from the Conservative opposition. Arosemena, himself a banker-turned-leftist, had made several pronouncements while presiding over the Senate, indicating that he might have been able to undertake a reform program from which Ecuador could have profited.

Unfortunately, too much indulgence in alcohol frequently deprived the country of leadership. Even so, Arosemena was able to introduce several measures which steadily stimulated certain branches of the Ecuadorian economy. Thus, due to the increase in exports (\$136 million) and the decrease in imports (\$98 million), the 1962 foreign trade was balanced. Monetary reserves were considerably increased compared with those during Velasco Ibarra's regime. Most conspicuous was the rise in banana exports, the main source of national income, which set a record of over 34 million stems in 1962. Arosemena also introduced certain austerity measures which started the Ecuadorian economy on its way to recovery, for the first time in a decade, i.e., since the government of Galo Plaza.

After Arosemena was deposed and exiled to Panama, the political rule of Ecuador was taken over by a *junta militar*, represented by the three branches of the armed forces. As its first step, the *junta* outlawed the Communist party and promised to free Ecuador from

pro-Castro sympathizers (who apparently were operating in some parts of the interior). The *junta* acknowledged its adherence to democratic principles, but conveniently canceled the 1964 presidential election; it promised to draft a new constitution at an undisclosed future time. Sources close to the present rulers in Quito estimate this may take at least two years. These are the political realities by which Ecuador lives.

Ecuadorians in Quito and Guayaquil interviewed recently describe the situation as tranquil. Compared with the chaos and terror which accompanied riots under the last few presidents, there is peace and order. This, according to one informer, assures a reasonable degree of business stability. The *quiteños* are quite hopeful for the future, just as the *guayaquileños* are rather distrustful, because Arosemena was "their" man.

The evidence suggests that middle strata Ecuadorians are tired of the futile parliamentarian fights between the Conservative and Liberal parties, which (although exercising their democratic prerogatives) not infrequently disregard the welfare of the nation. This phenomenon is inherent in Latin American politics; oratory and demagoguery are often mistaken for democracy itself. In these circumstances it is not difficult to understand why the suspension of the Congress by the *junta militar* is not considered undemocratic from the Ecuadorian viewpoint.

INTERNAL PROBLEMS

Many of Ecuador's internal difficulties stem from her socio-economic tradition dating back to the colonial era and from the ethnic structure of her population. Since gaining her political independence in 1830, Ecuador has been dominated by a white minority known as *criollos*. They constitute around 10 per cent of the population, but own most of the cultivated land. The *criollos* control politics, cultural activities, and, to a considerable extent, the economic development of the country. Almost all the presidents of Ecuador have been *criollos*. Less than half of the population are Indians, mostly landless and ignorant. Percentage-wise, they are matched by the

mestizos, who in the rural areas are called *cholos*, and who, from the economic viewpoint, do not usually differ much from the Indians. The upper crust of the urban *mestizos*, culturally assimilated and "almost" white, constitute the élite of the small middle stratum and thus share with the *criollos* in certain national responsibilities. They are engaged in commerce, industry, education and some professions and make their services available to the Administration and armed forces. The Negro and mulatto population amounts to five per cent and is concentrated on the coast. Its general living standard is not higher than that of the Indians, but the Negroes and mulattoes living in Guayaquil profit from its port and industrial activities.

In this ethnic mosaic, the most underprivileged stratum is formed by the Indians and *cholos*, who are completely dominated by the white *haciendados*. The latter own around 80 per cent of the agricultural area, especially in the rich valleys. A considerable percentage of the Quechua Indians are held in a system of semi-slavery, *huasipungo*; they work on the *haciendas* in exchange for the right to till small plots for their own use.

Some of the Indians and *cholos* still live in their own communities, which originated during the Inca times and where primitive living conditions still prevail. A Quechua survival from that pre-Columbian era is the *minga*, a custom compelling the natives to perform certain communal tasks. White *haciendados* not infrequently take full advantage of this custom. Poverty motivates some Indians to move from the Andean Sierra to the cities in search of work. This rural-urban native movement, with its shanty towns in the cities' suburbs, causes serious socio-cultural imbalance.

Ecuadorian Indians and *cholos* do not participate in political life, even if they are sometimes rallied for elections. They live outside the national economy. The misuse of this human element certainly weakens the long-range potential of the country.

Also typical of Latin American idiosyncrasy is the sharply uneven distribution of wealth which results from the *latifundium* (large

land-holding) system. This system still prevails in Ecuador over the *minifundium* (small land-holding) system, which could engage the semi-idle masses in more productive work. Under this system large tracts of land are not used at all, while hungry Indians nearby are not allowed to use the land. They lack the necessary titles and privileges extended by the Spanish Crown to the early conquerors turned landlords, i.e., the *encomenderos*. This semi-colonial latifundium system does not fit the realities of the twentieth century; it is in flagrant violation of human needs in countries with rich natural, but frequently undeveloped, resources and millions of undernourished masses. In this respect, a nineteenth century description of a certain Latin American country as "a beggar seated on a heap of gold" was rather ominous, and could still be applied to Ecuador as well as to other similar regions.

However, where initiative is left to a freer test as in Guayaquil, with its concentration of industrial and foreign trade activities, the impact of social consciousness coupled with labor problems leads to political radicalism. On the other hand, to an unbiased observer, Quito retains many vestiges of semi-colonial conservatism, apparently not much modified by occasional injections of modern thinking. For this reason, clamor for a change of outmoded practices usually expresses itself in accentuated regional rivalry. The proof of it is the not infrequent and often violent opposition of socially liberal Guayaquil against politically less flexible, if more cultured, Quito.

Furthermore, the socio-political cleavage is evident in Ecuador's negligence in not fostering democratic trade unions; as the result, over half of Ecuador's labor unions remain under Communist control. Their stronghold is Guayaquil, the breeding ground of all kinds of extremism.

ECUADOR'S POLITICAL HISTORY

Ecuador's political history since colonial times has been closely tied to that of Colombia; these two countries once jointly constituted the Viceroyalty of New Granada. After

the final defeat of Spanish rule in 1822, Ecuador and Colombia were joined by Venezuela and established a federative type state called Gran Colombia under Bolívar. When this state was dissolved in 1830, Ecuador started her truly independent life under the rule of the Venezuelan-born General, Juan José Flores, who ruled with Vicente Rocafuerte until 1845. The political confusion that followed was marked by 11 more or less autocratic presidents, interference from regional *caudillos*, in addition to civil and border wars.

Later on, serious conflicts were caused by religious issues introduced by the Conservatives, opposed by the anticlerical and democratically-minded Liberals. These conflicts dominated the period between 1860 and 1875 and are remembered as a unique theocracy under the almost continuous regime of dictator García Moreno. He regarded the combination of political conservatism and Catholic extremism the only solution to the general unrest. In the second of his two constitutions (1869), he limited Ecuadorian citizenship to church-goers and denied it to those who did not observe religious practices. Special privileges extended to the clergy, as well as intensified state support of religious education, caused deep social ferment and drove not a few good Catholics and real democrats into exile. Among the latter was the great Ecuadorian essayist and political pamphleteer, Juan Montalvo. Famous are his words: "*¡Mi pluma lo mató!*" (My pen killed him!) when he heard about García Moreno's downfall in 1875, although Moreno was really assassinated by a political enemy's knife. The 20 years that followed Moreno were marked with more socio-political chaos, complicated by continuing religious overtones. A string of six leaders brought no end to the civil strife.

The Liberals took over in 1895 and stayed in power until 1944. During their political control, reverse action took place with the separation of the state from the church, secularization of church properties and education, as well as abrogation of religious privileges. The radical Eloy Alfaro introduced liberal legislation after 1895. His twelve years of fairly orderly government allowed Ecuador

a more peaceful period for economic recuperation. His greatest deed was the construction of a railroad which connected Quito with Guayaquil. But Alfaro, while attempting to seize the presidency for the third time, was murdered. In the period that followed until 1944, nearly 30 presidents held office. But, of all these, only two are noteworthy— Presidents Plaza Gutierrez (1901-1905) and Arroyo del Rio (1940-1944).

During World War II Ecuador cooperated closely with the United States, permitting the United States to build naval bases on her territory. Ecuador also supplied the United States with several important raw materials, among which were *balsa* wood and *cinchona* bark. Washington reciprocated, extending to Ecuador credits for public works and the revival of cacao plantations severely damaged by plant diseases in previous years. Then, in the years after World War II, the moderately liberal Galo Plaza and conservative Ponce Enríquez, with full terms from 1952 to 1960, assured Ecuador a considerable period of peace which was reflected in that country's economic improvement.

BORDER CONFLICTS

A very unhappy feature of Ecuador's history is that country's territorial mutilation by her neighbors. It is estimated that, since gaining her independence, Ecuador has lost 70 to 75 per cent of her national territory. This was taken away either in border disputes or under other circumstances, usually in her moments of national debility. Whether or not there were juridical arguments, Ecuador was simply overpowered by the military superiority of Peru, Brazil and Colombia. The last border war between Peru and Ecuador took place in 1941, and led to a negotiated treaty in 1942, under the mediation of Argentina, Brazil, Chile and the United States. This international pressure still seems to

many Ecuadorians an arbitrary act, set up at the expense of their country. Then, too, Ecuador's fear of Peruvian military strength is still a very real thing.

U.S.—ECUADORIAN TIES

Some of Ecuador's plans for economic and cultural development are receiving United States encouragement, technical assistance, and financial support. According to official statistics, under the United States' foreign aid program from July 1, 1945, to June 30, 1962, Ecuador received a total of \$138.3 million. This meant that Ecuador was the tenth largest recipient among the Latin American countries, the West Indies and the East Caribbean area (excluding regional expenditures which include multilateral programs in the Latin American area). Following the preliminary figures of United States economic assistance listed as "obligations and loan authorizations"¹ for the last two fiscal years, the United States' commitment to Ecuador was: \$36.6 million (July 1, 1961-June 30, 1962) and \$34.4 million (July 1, 1962-June 30, 1963).

The increased volume of United States financial aid to Ecuador is the outgrowth of the Alliance for Progress. The aim of this program is the stimulation of diversified agricultural output and road construction in those parts of the country promising to raise their economic potential, as well as to encourage certain industrial projects. In addition, the Inter-American Development Bank, in which United States capital is seriously engaged, lists in its annual report for 1962 over \$30 million in approved loans for Ecuador. These are destined for low-income housing in Guayaquil, development of wool production, African oil palm cultivation, and certain other development projects.

The United States' technical assistance to Ecuador is channelled through the International Cooperation Administration's United States Operation Mission in Quito. During the fiscal year 1959 it involved four programs: agriculture, health, education, and industry² with expenditures of approximately \$1.3 million. The spectacular rise in importance of banana exports, from about four per cent of

¹ U.S. Assistance to Latin America, Department of State, Agency for International Development, Statistics and Report Division, July 13 and July 24, 1963, Washington, D.C.

² World Trade Information Service, Part 1, No. 60-50, Ecuador, pp. 13-14. U.S. Department of Commerce, Washington, D.C., Dec., 1960.

the total exports in 1947 to over 65 per cent in 1959, is an outstanding example of I.C.A. technical assistance. This increase coincided with the drop in exports of coffee and cacao, and virtually saved the country from economic chaos. Small farmers supply about 80 per cent of the banana export production.

Another success was achieved by the health program in the controlling of yaws. In regard to education the training program of teachers for rural areas was stressed; additional school construction was urged. Likewise, the complete overhauling of laws regarding development credit operations and Ecuador's budgetary reorganization were effected with United States technicians' help.

No less impressive is the summary of physical accomplishments of the Agency for International Development Social Progress Trust Fund's operations from July 1, 1961, to July 1, 1963; 970 new homes and 230 new classrooms, 250,000 new textbooks, 10 agriculture credit loans, 18 community water systems and wells, one new hospital, and an estimated 890,000 Ecuadorian people fed.³

Perhaps we should also add the work of the United States Peace Corps. Since its establishment in 1961, the Peace Corps has sent to Ecuador 210 volunteers of both sexes who constitute approximately 10 per cent of the total number of 2,200 volunteers active now in Latin America.⁴

United States-Ecuadorian relations in general are developing satisfactorily. They are occasionally disturbed by the detention of private United States fishing boats engaged in tuna fishing three miles outside Ecuadorian territorial waters. This is largely because Ecuador, jointly with Peru and Chile, some years back extended their jurisdiction over fishing rights to the 200 mile limit. As a result, the California-owned fishing companies are from time to time in litigation—the "tuna war"—with Ecuadorian authorities. However, it is hoped that this "tuna war" will soon

be brought to an end by negotiation between Washington and Quito.

PROSPECTS FOR THE FUTURE

Economic prospects for Ecuador seem to be fairly good. Virgin soil could be converted into rich, agriculturally productive areas if they were connected by roads and highways with food distribution centers, especially in the western part of the country. The same is true of agricultural holdings, especially the large *haciendas* which are now only partially cultivated. With the exception of the better managed and more profitable plantations, some of the large estates (or at least parts of them) could be subdivided into smaller holdings and allocated to smaller farmers. This is, of course, an aspect of agrarian reform which understandably does not attract the *haciendados*. Even its parliamentarian discussion moves at the pace of the Galapagos Island heavy turtles.

Ecuador, due to her geographic location, is a permanent exposition of all climates, faunas and floras of the New World. The country has been endowed by nature with a variety of minerals such as gold, silver, copper, lead iron, petroleum, sulphur and coal, of which only some have been rationally developed so far.

Cacao and coffee have been the traditional export crops. The "chocolate boom" in the 1910's and 1920's permitted scores of Ecuadorian families to live luxuriously in France. Later, the "banana boom" in the 1950-1960's converted that tropical fruit into the number one export commodity.

Nonetheless, export dependence on a single commodity is a risky one. Because a "one-basket" economy, still a typical feature of the Latin American economic structure, is subject to frequent price fluctuations in the competitive world market, it does not offer the financial security of a diversified economy. Ecuadorians are beginning to realize the importance of economic diversification in regard to agriculture and their very modest industry. Some measures in that direction were taken some years ago, but they have been slowed down by Ecuador's too frequent political

³ *U.S. Assistance to Latin America*, Department of State, Agency for International Development, Washington, D. C., 1963.

⁴ *The Peace Corps Volunteer*, a quarterly statistical summary, Washington, D.C., June 30, 1963, pp. 119, 134.

changes. Today, Ecuador has a long-range planning body, the *Junta Nacional de Planificación y Coordinación Económica* (National Planning and Economic Coordination Board), whose technical department is comprised of local and foreign experts. The United States International Cooperation Administration and the United Nations have provided technical assistance to this Board. The recent completion of the new deep-water seaport in Guayaquil is an undeniable asset to the Ecuadorian economy. Constructed at the cost of \$20 million with the help of United States engineering firms, it provides a modern marine terminal which handles almost 100 per cent of Ecuador's total imports and 50 per cent of her total exports. Designated as a *Puerto Marítimo*, it has a system of locks for the control of the tide differences between the man-made channel and the Guayas River, on which an old river port is situated. Modern facilities embrace a concrete wharf 3,000 feet long, four transit sheds, office buildings, and so forth. The construction of *Puerto Marítimo*, which is the most modern seaport on the Pacific coast of South America, opens new perspectives for expansion, not only of Guayaquil but all of Ecuador.

ECONOMIC OPTIMISM

The reasonably optimistic outlook for Ecuador's economic future is based on the growing, favorable balance of her foreign trade during the last few years, as well as on the improving prospects for economic diversification. It may be assumed that these factors will influence the growth rate of the gross national product, which has slowly improved during the last two years, even though the average per capita annual income of \$167 is low compared with that of other South American countries.

An encouraging indication of Ecuador's economic mobility in 1963 was her liberal attitude toward foreign investments. Due to a certain liberalization of tax policy, a number of United States and European companies

⁵ See article on Ecuador in *Hispanic American Report*, Vol. XVI, No. 5, p. 482. July, 1963. Stanford University, California.

decided to establish business and industrial activities in Ecuador. These are medium and small size enterprises geared toward manufacturing articles mostly for local consumption, the import of which has been restricted. Also of certain significance in the last few years has been the increased development of housing projects in Quito, Guayaquil and other places on the coast. While providing employment, they specifically helped the modernization of the capital, which, however, still retains its colonial charm, unique in the Andean region.

In an ethnic mosaic of sharp social contrasts, Ecuador's economic potential will largely depend on gradually removing social disparities. This could be effected by sound socio-economic reforms. The Conservative party, composed mostly of *haciendados* and rich merchants and closely related to the Roman Catholic Church, usually has found support in the pulpits. But recently it has encountered unexpected opposition in a pastoral letter issued by the Ecuadorian hierarchy. The letter, emphasizing "human dignity" and the progressive spirit of modern society, endorsed agrarian reform as part of economic development. It also advocated an equitable income tax system and stressed the social obligations of businessmen and property owners toward labor.⁵

This new church attitude may have an impact on future events. In the long run, *criollo* domination does not fit too well a preponderantly *mestizo* nation unless it allows the mestizos to share in the democratic shaping of their common national destiny. This seems to be almost a socio-political axiom for all Andean countries, from which Ecuador could hardly escape.

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"Although reliable figures are hard to come by," writes this author, "it appears that real per capita Gross National Product in Cuba has fallen nearly one-third in the past five years. . . ." For this reason, he believes, "Soviet bloc assistance . . . does little more than stave off starvation through shipments of basic foodstuffs and some essential raw materials to keep industry functioning."

Five Years of Cuban Revolution

By RONALD M. SCHNEIDER

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THE CASTRO regime recently has passed a significant anniversary. Memories of a year ago, when the world was just beginning to recover from the war scare occasioned by the clandestine introduction of Soviet missiles into Cuba, are still vivid. Memories of December, 1958, when all references to the Cuban strongman meant Batista and the revolutionary forces led by Fidel Castro were only starting to break out of the

mountains of Oriente Province, are in many cases growing dim. Certainly much has changed within Cuba and throughout all of Latin America since New Year's Day of 1959 dawned with the news that the dictatorial Batista regime had collapsed.¹

A decade ago, Cuba was just becoming reaccustomed to the rule of Fulgencio Batista. He seized power through a lightning coup on March 10, 1952, shortly before presidential elections were to be held. While many Cubans were disturbed by the derailment of constitutional government, few felt that democracy had proved very successful in their country.² A Spanish colony for over 400 years and, even more importantly, for almost a century after the rest of Latin America had won independence and begun to cope with its legacy of political authoritarianism, Cuba started its national life with four years of United States military government (1898-1902).³

During the next three decades the United States retained and frequently exercised a unique treaty right to intervene; this left Cuba far short of being a sovereign nation. By the time the Platt amendment was abrogated in 1934, North American business interests had come to control the island's economy, which was almost completely dependent upon the United States sugar market. Then too, the country had gone through a major

¹ This article represents the third time in a year that *Current History* readers have been exposed to a relatively broad treatment of the Cuban problem. "The Future of Castroism" in *Current History*, XLIV, No. 258 (February, 1963) pp. 78-83 and 116 is still valid in its essential analysis and is particularly useful on the effect of the revolution upon major social groups and on the evolution of Fidel as a Marxist-Leninist. "Red Drive in Cuba" in *Current History*, XLV, No. 266 (October, 1963) pp. 216-22 and 243-44 recounts the history of Soviet military and economic assistance to Cuba and discusses Cuban-supported subversion in South America.

² For a general background on Cuba, the most comprehensive recent volume is Wyatt MacGaffey and Clifford R. Barnett's *Cuba* (New Haven, Conn., Human Relations Area Files Press, 1962). Relatively objective, this useful product of American University's Special Operations Research Office strives to relate post-revolutionary developments to the pre-1959 social, economic, and political order. Certain aspects of the pre-Castro political system are treated in greater analytical depth by Federico G. Gil in his "Antecedents of the Cuban Revolution," *The Centennial Review*, Vol. VI, No. 3 (Summer, 1962) pp. 373-393.

³ The generally inadequately understood period of U.S. rule in Cuba has been admirably explored by David F. Healy in his *The United States in Cuba, 1898-1902* (University of Wisconsin Press, 1963).

revolution which in 1933 had ended the often bloody, eight-year rule of General Gerardo Machado, who had come to power after a series of corrupt administrations and electoral frauds.⁴

SEEDBED OF THE REVOLUTION

The Cuban Revolution of 1933, or at least its perceived failures, had a profound impact on the generation which produced Fidel Castro and his cohorts; in some ways the 1959 revolution was a continuation of the earlier phenomenon. Originally based on revulsion against the tyrannical and grafting dictatorship combined with dissatisfaction arising from the economic depression, the revolution began to take on broader and deeper content. The "generation of 1930," made up of the young professional men and students who had brought about Machado's fall, spoke in terms of far-reaching social, economic, and political transformations. Unfortunately, as a close student of this movement has pointed out: "Although achieving a remarkable record of accomplishments in economic development and social justice, 'the generation of 1930' was later to be discredited by administrative ineptitude and tolerance of personal dishonesty."⁵

Wary of social revolution and desiring a *status quo* in which United States interests were thoroughly safeguarded, Washington refused to recognize the government headed by Ramón Grau San Martín, considered a radical nationalist.⁶ In this situation, Fulgencio Batista, who had risen from sergeant to command the Cuban armed forces in the months immediately following Machado's ouster, stepped into the vacuum and forced Grau

and his reform-minded supporters aside. From 1934 to 1944, Batista governed Cuba, first through puppet civilian chief executives and then directly as President.

When Grau finally came to power through the elections of 1944, he had lost much of his revolutionary zeal. Although economic development went forward and significant progress was made in the fields of education and social security, agrarian reform was forgotten and graft came to overshadow it. Under Carlos Prío Socarrás (1948-1952), corruption reached new heights, offsetting the scrupulous observation of constitutional niceties and respect for individual liberties, or even the spectacular growth of the economy.

Hopes for a fourth free election in a row (and one which might lead to an honest and reform-minded government) were dashed by Batista's seizure of power. On November 3, 1953, the Cuban dictator moved to legitimize his position by holding elections which in terms of fraud and coercion were a throwback to the pre-World War I era. Some three months earlier, on the 26th of July, nearly 200 idealistic youths, led by 26-year-old Fidel Castro, had attempted to start a revolution in Santiago, the metropolis of eastern Cuba.

CASTRO TRIUMPHS

Amnestied in mid-1955, Castro returned a year and a half later to lead the guerrilla struggle; at the end of two years Castro and his followers toppled the Batista tyranny. Through its brutal efforts to repress the opposition breaking out in the cities as well as the mountains of Oriente Province, Batista's government had alienated almost the entire middle class and important elements of upper-class business and professional groups.

Thus, when Castro and his 26th of July Movement came to power in January, 1959, they were determined not to commit the errors of their counterparts a quarter of a century before. Unlike the 1933 movement, this was to be a thorough-going revolution. The institutions and groups which possessed sufficient power to block such a revolutionary course were to be neutralized and, if neces-

⁴ Adequate studies of U.S.-Cuban relations are still lacking. The most comprehensive work now available in English is Robert F. Smith's *What Happened in Cuba?* (New York, Twayne Publishers, Inc., 1963.) This collection of documentary excerpts with interpretive comments by the editor covers the period 1783 to the end of 1962.

⁵ Federico G. Gil, *op. cit.*, p. 376.

⁶ Bryce Wood's outstanding study of *The Making of the Good Neighbor Policy* (Columbia University Press, 1961), pp. 48-117, contains an excellent treatment of U.S.-Cuban relations in the interwar period with particular attention to this crucial episode.

sary, destroyed. Above all, the United States was not going to be able to impose limitations upon change and effectively influence the struggle for power as it had in 1933-1934.

Agrarian reform, the field in which the leaders of the Revolution of 1933 and the democratic governments of 1944-1952 had done the least to redeem their pledges, was to be the touchstone of the "true" Cuban Revolution. This was a particularly galling problem, since concentration of landholdings and increase in foreign ownership of large estates were twentieth century developments in Cuba and not part of the colonial heritage. And provisions of the Constitution of 1940, designed to rectify this situation, had remained without implementation for 18 long years.

THE LESSONS OF GUATEMALA

At the time Castro staged his July 26, 1953, uprising, only a few hundred miles across the Caribbean a small group of young Communists had come to exert effective control over the government of a Latin American republic. The developments in Guatemala during the 1944-1954 decade were destined to have a profound impact upon the course of the Cuban Revolution. The participation of Ernesto "Che" Guevara (the Argentine physician who became Castro's chief lieutenant) in the late stages of the Arbenz regime is only one of the ways in which the influence of the Guatemalan experience was brought to bear in Cuba. For, in fact, Cuban Communists, known as the Popular Socialist Party (P.S.P.), contributed significantly to the Com-

⁷ Ronald M. Schneider, *Communism in Guatemala: 1944-1954*, New York, Frederick A. Praeger, 1959) p. xi. All points concerning the Guatemalan revolution raised in the present article are treated at length in this detailed analysis.

⁸ Schneider, *op. cit.*, p. 49. The general political development and level of organization in Cuba was above that of Guatemala, and the P.S.P. was far more experienced and better indoctrinated than its Guatemalan counterpart.

⁹ *Ibid.*, p. 319. P.S.P. leaders had closely advised the Guatemalan Communists beginning with a visit by Blas Roca to Guatemala City in December, 1946, with a plan for labor unity and continuing at least through the mediation of Severo Aguirre in a leadership struggle in May, 1954. Arbenz and a number of key Guatemalan Communist leaders took up residence in Cuba soon after Castro came to power.

unist successes in Guatemala and learned important lessons from its ultimate failure. A close student of revolution in Latin America, Fidel himself had followed the Guatemalan episode carefully and had some contact with *Arbencista* exiles in Mexico in 1955-1956.

Moreover, both the United States and the U.S.S.R. drew certain lessons from their Guatemalan experience. (Unfortunately the success of the C.I.A.-supported venture which led to the downfall of Arbenz in mid-1954 contributed to over-confidence concerning the prospects for a similar, if larger scale, operation in Cuba.) As Castro, the Cuban Communists, and the Kremlin put into effect the lessons they thought they had learned, the result was the Bay of Pigs.

In Guatemala, the Communists first captured an indigenous national social revolution and by so doing "cast doubt upon the validity of certain widely-held generalizations concerning the relatively low vulnerability of Latin American society to Communist penetration."⁷ In many respects the gains scored by the Guatemalan Communists during the three years following Jacobo Arbenz's inauguration in March, 1951, were relatively greater than even the dizzying pace of the P.S.P.'s progress in Cuba during the comparable period after Castro's advent to power.

In Guatemala as in Cuba, hopes that the regime's leader would lend support to a revolutionary party free from Communist control were dashed within the first year, and "No native revolutionary movement or ideological force capable of rivaling Communism developed, nor was there any effective opposition from an advanced left-wing party."⁸ Similarly, anti-communism came very quickly to be identified with counter-revolution by the regime's leader.

In Cuba, in 1959-1960, the Communists could offer Castro all that they offered Arbenz eight years earlier, plus large-scale trade and aid which had not been available in the Guatemalan case. In addition, they could provide a feasible plan for avoiding the strategic errors which had contributed to Arbenz's downfall in 1954.⁹ Rapid replacement of the Army by a revolutionary militia and immedi-

ate implementation of a radical agrarian reform which would destroy the power base of the traditional élite and their foreign allies were ideas that stemmed from the Communist self-critical post-mortem of the Guatemalan experience.

In spite of his much greater personal appeal, Castro needed the assets the Communists could provide fully as much as Arbenz. The Communists provided an ideological underpinning for the regime and a rationale for its programs; trained and disciplined cadres capable of imposing some degree of order upon rapid and radical change; and an organizational structure capable of mobilizing, indoctrinating, and controlling the masses.

REFLECTIONS ON THE REVOLUTION

Chronology is of vital importance in comprehending the unfolding of the revolution and the possible causal relationships among events. Only the highlights will be recounted here. Castro assumed the office of premier in mid-February, 1959, and visited the United States two months later at a time when initial popular enthusiasm was beginning to wane as a result of mass executions for "war crimes." Within a few weeks rapid and often arbitrary implementation of a sweeping agrarian reform placed serious strains upon United States-Cuban relations as reflected by the June 11-16 exchange of notes.

By mid-year, charges of Communist infiltration of the regime and inroads into the military were dramatized by the defection of the Revolutionary Air Force Chief, Major Pedro Díaz Lanz. Castro struck quickly and effectively by replacing President Urrutia with Osvaldo Dorticos, a lawyer with a reputation for Communist sympathies. Cuban-based expeditions failed to overthrow regimes in the Dominican Republic, Nicaragua, and Panama. The first of a continuing series of consultations by Inter-American Foreign Ministers at Santiago, Chile, showed that most countries had opted for a policy of watchful waiting.

With the visit of Soviet Deputy Premier Anastas Mikoyan to Havana in February,

1960, and the resulting Cuban-U.S.S.R. trade agreement, United States concern increased sharply. Within Cuba, the regime's identification of anti-communism with opposition to the revolution intensified, and diplomatic relations were re-established with the Soviet Union on May 7. Almost immediately thereafter, Castro precipitated a direct confrontation with the United States by requiring United States-owned refineries to handle Russian crude oil. The subsequent exchange of diplomatic notes reflected a new bitterness. Following Castro's seizure of the oil refineries, the United States on July 6 sharply cut Cuba's sugar quota. Thus, by mid-1960, relations between the Castro regime and the United States government were past the point of accommodation.

At a special meeting of foreign ministers in San José, Costa Rica, the United States brought strong accusations against Cuba for increasing tensions in the hemisphere, but failed to get an explicit condemnation from the conference. With further expropriations, an open clash between the Catholic hierarchy and Castro, and the latter's denunciation of the Rio Pact (the 1947 Inter-American Reciprocal Defense Treaty), the stage was set for the establishment of Cuban-Communist Chinese diplomatic relations and the Khrushchev-Castro love fest at the United Nations General Assembly session in September, 1960. Meanwhile, at Bogotá, the basis for what was to become the Alliance for Progress was belatedly established.

As Castro embarked upon sweeping nationalization, the United States countered with a partial embargo on exports to Cuba. In what has since become an annual ritual (a sort of fraternal Communist Christmas present), a new Cuban-Soviet economic agreement was announced in December.

During the first two years of the revolution, the Cuban Communists had made very substantial progress, but their increasingly dominant position was still conditional on Fidel's favor. However, Castro had come to rely upon them to such a degree that there was no real prospect of a drastic falling out. Similarly, as Cuba became increasingly dependent

both economically and militarily upon the U.S.S.R., Cuban Communists came to possess greater leverage over the regime. The nature and limits of this symbiotic relationship were to become much clearer during the next biennium.

A COMMUNIST CUBA

There is little doubt that the stunning defeat of the Bay of Pigs invasion on April 17-19, 1961, had a profound effect on the timetable for the conversion of Cuba into a full member of the Communist bloc.¹⁰ Domestically Castro was able to clamp down even harder on the opposition and to capitalize on Cuban nationalism. Fully as important, the Soviet Union became convinced that maintenance of a Communist state in Latin America was feasible and hence was willing to increase its investment there. Moreover, United States announcement of the Alliance for Progress in March, 1961, and plans for its launching through the Punta del Este Conference in August, enhanced Cuba's importance to the U.S.S.R. On May Day, Castro publicly announced the Socialist nature of his revolution; while the world debated whether the term was used in its full Communist meaning, he took steps to meld old and new Communists together into a disciplined Leninist movement.

Castro first announced plans for the establishment of a single party at the 26th of July rally. In the months that followed, P.S.P. leaders appeared to have almost full rein in laying the groundwork for the Integrated Revolutionary Organizations (O.R.I.), which was to be the intermediary stage leading to eventual creation of a "true" Marxist-Leninist United Party of the Socialist Revolution (P.U.R.S.). Even before his pronouncement on the night of December 1, 1961, that he had become a Communist, Fidel appeared willing to accept collective leadership.

¹⁰ For a persuasive exposition of the thesis that the episode did not basically affect Castro's evolution toward communism, but only speeded up the open manifestations and public announcement of what was already an accomplished fact, see Tad Szulc's *Winds of Revolution* (New York, Frederick A. Praeger, 1963) pp. 118-71.

COMMUNISTS ASSUME AUTHORITY

Long-time Communists came to assume a large measure of authority at all levels. P.S.P. chief Blas Roca enjoyed equal status with President Dorticós in the annual economic negotiations in Moscow. Carlos Rafael Rodríguez replaced Guevara as the regime's chief economic planner and later took over direction of the powerful National Agrarian Reform Institute (I.N.R.A.) from Fidel himself. Lázaro Peña was entrenched as head of the Cuban Confederation of Labor (C.T.C.R.), and Aníbal Escalante energetically supervised P.S.P. cadres organizing and indoctrinating O.R.I. branches throughout the country. Moreover, all 26th of July figures who had not embraced communism were out of the leadership picture.

But even as they appeared to be nearing a position of effective control of the country, the orthodox P.S.P. leaders came very close to overplaying their hand. Aroused by evidence that his personal control was being undercut, Fidel decided to put them in their place. It is possible that Castro might have been playing a more calculated game throughout, and that he fostered the illusion of an opportunity for the old Communists to institutionalize Party control over the regime as a ploy to induce the Soviet Union to increase its involvement in Cuba. Once Moscow was fully committed, he could move to reassert his personal dominance.

A 25-member O.R.I. National Directorate including almost all the top P.S.P. leaders had been named on March 9, 1962. But when a five-man Secretariat was announced on March 22, Fidel and Raul held the top positions, followed by Dorticós, Emilio Aragones, and P.S.P. head Blas Roca. Meanwhile, Che Guevara had caustically criticized the economic plans drawn up under Rodríguez's direction and Raul was formally named vice-premier. In his marathon address on March 26, Fidel attacked Escalante for packing the O.R.I. and thus served notice directly on the old Communists and indirectly on Moscow that if there was to be a Communist Cuba, he would continue to direct it.

SOVIET-CUBAN MARRIAGE

The arms buildup throughout the summer and the missile crisis of October-November added to the accumulation of misunderstandings in the somewhat lop-sided Soviet-Cuban marriage, monogamous on one side, but polygamous on the other. Tensions necessarily arose from the Soviet Union's need to view Cuba as an important, but not the most significant, part of the world scene, while Cuba had to depend on the U.S.S.R. for both maintenance and protection. The Soviet retreat in October, 1962, must have shaken Castro's sense of security. The presence of Anastas Mikoyan in Havana for nearly all the month of November provided Fidel with an opportunity to work off some of his frustrations on Khrushchev's stand-in. But it accomplished little else.

The December economic talks were less cordial than in previous years, and Castro pointedly moved to a position of "neutrality" in the festering Sino-Soviet ideological dispute. In spite of the apparent success of the prolonged Fidel-Nikita honeymoon last April and May, during which Castro was given unprecedented honors in Moscow, the basic strains were not eliminated. The difference in approach to the question of violent revolution versus "peaceful" subversion had merely been papered over.

Castro's speech on the tenth anniversary of the July 26, 1953, attack on the Moncada barracks showed the width of the gap which still existed between the would-be leader of Latin American communism and the orthodox Communist parties of the area, which were highly responsive to Soviet direction. It must have seemed to the leaders of the hemisphere's Communist parties and indeed

to the Soviet hierarchy that the moderating effects of Castro's sojourn in the U.S.S.R. had been short-lived. It is significant that in the crowd of visitors Castro corralled for this momentous occasion there were no first or even second echelon leaders of the official Communist parties of the hemisphere.¹¹

The persistent Cuban refusal to sign the nuclear test ban treaty and Castro's blatant flirtation with Communist China further strained Cuban-Soviet relations. At the same time the disastrous impact of Hurricane Flora, which devastated Cuban agriculture, underscored Cuba's continued dependence upon the U.S.S.R.

A GLIMPSE AT THE SHOWCASE

At a time when the recently completed annual stock-taking on the progress of the Alliance has engendered considerable pessimism, a glance at the competition's shop may clarify our perspective. Certainly the two-year record of the "democratic revolution," spotted and unspectacular as it may be, does not compare unfavorably with the five-year balance in Communist Cuba.

The situation within Cuba is in many respects not greatly altered from a year ago, at least relative to the rate of revolutionary change during the preceding four years. The contrast with the 1959-1961 period, during which redistribution of existing wealth was sufficient to give many Cubans a sense of economic betterment, is most noticeable. Although reliable figures are hard to come by, it appears that real per capita Gross National Product in Cuba has fallen nearly one-third in the past five years and that there is little prospect for a reversal of this trend during the next year at least. Soviet bloc assistance, vital as it is to the functioning of Castro's Cuba, does little more than stave off starvation through shipments of basic foodstuffs and some essential raw materials to keep industry functioning.

Thus, although the average Cuban is not badly off by the standards of the generally less developed nations of Latin America, he no longer enjoys the significantly higher level of living of 1958. The monthly food ration,

¹¹ It should be pointed out that in his address Castro did make a distinction with respect to those Latin American governments which have continued diplomatic relations with his regime—Mexico, Brazil, Chile, Bolivia, and Uruguay. These are precisely the countries with whom the U.S.S.R. hopes to improve state-to-state relations and where in at least two cases there is some prospect for significant Communist gains through the "peaceful road" upon which Castro in the past heaped so much scorn. Thus Castro manifested some elements of greater realism.

which suffered a further drastic cut in the aftermath of September's hurricane, already was down to no more than three pounds of meat, one pound of poultry, five eggs, three kilograms of rice, one-eighth of a pound of butter, eight pounds of potatoes, and two pounds of lard.¹² Che Guevara has recently admitted that efforts to diversify agricultural production and to emphasize industrialization have proved to be a costly failure. As a result, and under considerable pressure from Moscow, the Castro regime has returned to the old "colonial" pattern of stressing sugar production. Nevertheless, even before the losses resulting from the hurricane, this year's sugar harvest was slated to be the smallest in recent history at roughly three million tons.¹³

THE POLITICAL SIDE

On the political side, progress on building the P.U.R.S. slowed down markedly when Escalante and other experienced P.S.P. leaders were pulled off the job in the spring of 1962. During the past year, however, momentum has increased, and branches are functioning in many enterprises and localities. Although a large proportion of P.S.P. militants are being admitted to the new party, an even heavier proportion of its cadres seems to

¹² Probably the most reliable eye-witness report on conditions inside Cuba is Ernst Halperin's *Castro's Cuba, August, 1963* (Center for International Studies, Massachusetts Institute of Technology, September 5, 1963).

¹³ Production in 1952 was 7 million tons, and the 1957-1961 average was over 5.5 million tons. For historical comparisons in the economic and social fields, a mine of information on conditions in Cuba from colonial days to the present is contained in the massive collective work *Un Estudio Sobre Cuba: Colonia-República-Experiencia Socialista* (University of Miami Press, 1963) produced by the *Grupo Cubano de Investigaciones Económicas*, composed of reputable exiled scholars. A limited portion of this material is available in English in *Labor Conditions in Communist Cuba* (Cuban Economic Research Project, University of Miami, 1963).

¹⁴ The case for those who desire a tougher Cuban policy is summed up in the pamphlet "What Can We Do About Cuba?" which embodies the views of a conference held last April under the sponsorship of Freedom House and the Citizen's Committee for a Free Cuba. The author of "Red Drive in Cuba" in *Current History* for October, 1963, a participant at this meeting, reflects its orientation.

¹⁵ See for example Assistant Secretary Martin's September 20 address to the Los Angeles World Affairs Council.

be coming from among young workers and functionaries who have shown their revolutionary dedication by their performance in the production sphere. Many original O.R.I. members, including some reportedly hand-picked by Escalante, have not been incorporated into the P.U.R.S. Indeed, in the fall of 1963, Guevara was again reminding the old Communists of their errors in the period of struggle against Batista while Roca, Peña, and Rodríguez no longer seemed to have Fidel's ear. In addition to Raul and Che, old Fidelistas such as Faustino Pérez (who fell from grace during 1960-1961 as the P.S.P. leaders moved to the fore) have reappeared in the inner circle of the regime.

U.S. POLICY

Critics of this country's present Cuban policy denounce it as leading to coexistence and call for active measures for the island's liberation.¹⁴ From the relatively comprehensive statements on the Cuban problem recently made by responsible officials, it appears that the Kennedy administration is prepared to go into the 1964 election year with the containment policy that has taken form during the past 12 months. Government spokesmen repeatedly emphasize that our policy objective is to "get rid of Castro and Communist influence in Cuba." Yet they also strongly underline the need to view the Cuban problem in a world-wide perspective.¹⁵ At the same time they have stressed that:

. . . we are engaged in a variety of measures, unilateral, bilateral, and multilateral, which are designed to increase the isolation of Castro; to intensify his serious economic difficulties; to prevent, by military means if necessary, aggressive acts by Cuba; to thwart Cuban-based and supported subversion of Latin American governments; to increase the costs to the Soviets of their maintenance of Castro; to persuade the Soviets that they are backing a losing and expensive horse; to effect the withdrawal of Soviet military forces in Cuba; and to maintain surveillance of Cuba to ensure that it does not again become a military threat to the United States or its allies in this Hemisphere.

The present policy of isolation or strangulation has, at least in the eyes of its architects, significantly weakened the position of the

Castro regime. Great weight is placed in public pronouncements on continuing economic deterioration and the premise that eventually the Cuban masses, alienated by unfulfilled promises of a better life, will look to new leaders, or that the Soviet Union will decide that Cuba possibly was a poor investment.

Though time may prove this to be rationalization, there is considerable evidence that United States actions have clearly aggravated Cuba's economic predicament and have raised the cost to the U.S.S.R. of maintaining a Western Hemisphere showcase for competitive coexistence. What must also be taken into account, of course, is Cuba's value to the Soviet Union as a base for subversion. In this field too, United States policy is aimed at sharply reducing such value.¹⁶

BOLSTERING LATIN AMERICA

Basic to an appreciation of the Kennedy administration's policy was an awareness that much of its energy was directed toward reducing the vulnerability of the Latin American republics to revolutionary threats directly inspired or indirectly augmented by the Cuban Communist state. Thus, the entire Alliance for Progress aims to advance social and economic progress accompanied by representative democracy to such a level throughout the area that the Cuban example of a Communist revolution loses its appeal. In the end, then, the progress of the *Alianza* in approximating these goals will go far toward determining the success of our more narrowly defined Cuban policy.

At the same time it is hoped that absence of socio-economic gains in Cuba will, at least marginally, increase satisfaction with substantial, though less than spectacular, accomplishments elsewhere in the Hemisphere. The dimension of subversion also enters into

this interaction, since disruption of democratic reform efforts is given high priority by Castro-Communist strategists.

DESTINY IN DOUBT

As the Cuban Revolution ends its fifth year, its ultimate destiny remains very much in doubt, dependent perhaps more on external factors than on its own internal dynamics. The United States and the Soviet Union seem to share a desire to avoid another Cuban crisis; and active resistance within the island remains at a relatively low level. Thus it appears that the Cuban problem will remain in a chronic rather than an acute stage during the sixth year of the Castro regime. In the long run, there is far more uncertainty, but Fidel and his associates appear further from leadership of a hemispheric revolution than they were in 1959.

Although the Cuban Revolution has left an indelible impact upon Latin America, it is not likely to become the prevalent pattern for the area—or even for any particular country—any more than did the Mexican Revolution. In the struggle between the Communist and democratic revolutions in Latin America, time is on the side of those who make the best use of it. The Alliance for Progress is undeniably in trouble, but so is the Cuban Revolution.

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¹⁶ Readers interested in the question of Castro-Communist subversion in the Western World can note reports on hearings before the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs, dated March 14, 1963. Of particular importance are the statements by Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs, and the U.S. C.I.A. Director, John A. McCone.

In a discussion of recent developments in Haiti, this author points out that the government has lost "all pretense of legality . . . under Duvalier."

Dictatorship in Haiti

By HUBERT HERRING

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THE LOVELY land of Haiti has been much in the news for months. As one shuffles through the thick sheaf of clippings on the curious ways of President François Duvalier, the temptation comes to slip in the first press release ever despatched from that outpost of Paradise. Christopher Columbus wrote it in 1492 and sent it to his matchless Queen, Isabella: "So lovable, so tractable, so peaceable are these people . . .," he said, "that there is not in the world a better nation nor a better land. They love their neighbors as themselves: and their discourse is ever sweet and gentle, and accompanied with a smile: and though it is true that they are naked, yet their manners are decorous and praise-worthy." Columbus's letter is yellowed by almost 500 years of age. The land of Haiti is still beautiful. The people are still lovable.

It is a melancholy assignment to write about Haiti and the Haitian people. Ill fortune has been their lot ever since the days of Columbus. Crowded into the western one-third of the island of Hispaniola (which they share with the Dominican Republic), more than four million people, almost all Negroes, live precariously on the rocky mountain slopes and in the few fruitful valleys. In an area about the size of Maryland, more than 300 persons to each square mile are jammed together; they eke out their lives on an annual per capita income of some \$70—just about that of India.

The caloric intake per capita is about half

that of the United States. About one out of 10 can read and write. Some 90 per cent of the children in rural areas are entirely without schools. They scratch the exhausted soil and harvest some coffee, sugar, cacao, and sisal—perhaps one-third as much as did the French owners of the land in the eighteenth century, when Haiti was France's richest colony. (Let the reader beware: all figures are guesswork, there are no real statistics on Haiti.) Haiti's plight has been well summed up by Professor Raymond E. Crist: "It has neither a one-crop economy nor a self-sufficient economy—rather it has a bite-your-nails economy."

There has always been someone to plague the Haitians. The Spaniards were the first, working the lovable Indians to death in the gold mines, and spreading the syphilis which wiped out so many of the people whom Columbus so admired. Then the British and the Dutch took their turns; and finally, the French (who by 1679 were in control). When the reverberations of the French Revolution reached Haiti, some 30,000 Frenchmen owned most of the land and some 500,000 Negro slaves bore the burden.

When, thanks to the prowess of Toussaint l'Ouverture and Jean-Jacques Dessalines, Haiti finally won independence from France in 1804, she then conquered the neighboring Dominicans and ruled with cruelty for 40 years. Meanwhile, from 1804 to 1844, sundry mulatto leaders—Henri Christophe, Alexandre Pétion, Jean-Pierre Boyer—ruled with

various degrees of competence. In 1844, the Negroes struck back at the mulatto leaders; and, for most of the time since that date, the illiterate Negro masses have been in control, furnishing the most bizarre and savage chapters in Haiti's unhappy history.

When conditions in Haiti reached the apogee of misery in the early twentieth century, the United States—then under the presidency of Woodrow Wilson, whose Calvinist God had persuaded him that it was his duty "to teach the Latin Americans to elect good men"—occupied Haiti. The American marines stayed for 19 years (1915-1934), improving sanitation and bookkeeping practices in admirable fashion, but provoking angry outcry against the invaders. After gradual liquidation of the occupation under President Hoover, Franklin Roosevelt ordered withdrawal of the marines in 1934 and Haiti soon slipped back into her old habits.

However, a degree of restraint was imposed by the national army, the *Garde d'Haiti*, a select group of 5,000 men well-trained by the American marines. Thanks to the *Garde*, the last of the gentlemanly mulatto presidents imposed by the marines, Stenio Vincent, was not evicted until 1941; then, a Negro uprising expelled Vincent and installed the ineffective and bellicose Dumarsais Estimé; in 1950, the military intervened and installed Paul Magloire, who ruled with competence until 1956. After months of floundering, a country doctor named François Duvalier emerged as leader in 1957 in an election of doubtful purity, and he has been at the helm ever since.

PAPA DOC

Duvalier—his admirers call him "Papa Doc"—is likely to win first honors among Haiti's long list of corrupt, incompetent, and savage tyrants. Theoretically subject to the check of the parliamentary system and the *Garde d'Haiti*, he has outwitted them both. Elections go to his own men. The officers of the *Garde*, for the most part conscientious soldiers, either have been clubbed into acquiescence, or have been murdered, or have defected into exile.

THE TONTON MACOUTES

In order to intimidate the *Garde*, which still had some professional standards, Duvalier organized a "militia" which may number some 8,000 men. In March, 1962, Papa Doc devised another refinement—the *Tonton Macoutes* ("bogeymen"). This is a secret force of two or three thousand gun-carrying ruffians, wearing no uniforms, a "goon" squad which preys upon private business and good citizens generally, collecting "contributions" for all of Duvalier's "good works." These gentlemen serve as taxi-drivers, as postal clerks, and in other posts where they can listen to private conversations, tap telephones, picking up bits of information which can then be used in levying blackmail. The streets of Port-au-Prince, and other cities, are no longer safe at night.

All pretense of legality has disappeared under Duvalier. After his "election" in 1957, the congress and the courts in effect adjourned. A state of martial law was declared from time to time, and all constitutional guarantees were lifted. In January, 1961, Duvalier called for a new congressional election, but only his trusted friends found it expedient to enter the contest. As a final coup, he fixed his own name on the ballot for a six-year extension of his presidential term (although he still had two and a half years to serve under his earlier election). Few votes were cast, but the election was reported as almost unanimous. In May, 1961, Papa Doc was formally re-elected. (Two years later, in May, 1963, he was inaugurated for his second term.) The newspapers made the situation quite clear: "The Haitian who does not love President François Duvalier is a dangerous enemy of the Fatherland."

During those days, and especially since 1959, there was a steady exodus from Haiti of lawyers, teachers, technicians, and physicians. The loss of physicians was particularly serious, for Haiti has never had more than one doctor to each 10,500 of its population (as compared with one doctor to each 795 people in the United States). The effective rule of the *Tonton Macoutes* was not hospitable to those of superior intelligence.

Cuba, after the accession to power of Fidel Castro in January, 1959, has been an ever present threat. Castro's crusading zeal found Haiti a ready target. The first attack upon Haiti from a Cuban base came in August, 1959. Since 1959, there have been recurring rumors of attacks from Cuban soil, but no serious incidents have occurred. The Cuban dictator has been preoccupied by troubles at home.

Duvalier fought with the Pope and the Vatican in 1959, when he expelled two priests who were charged with inciting rebellion. When some 1,000 priests, nuns, and faithful disciples met to protest his action, Duvalier's police arrested 60 of them. The archbishop lodged a strong protest, and for a time the President abstained from further attacks upon the clergy. In November, 1960, the archbishop himself was banished from the country. The Vatican then appointed an apostolic administrator whom Duvalier refused to recognize. In January, 1961, another bishop was forced to leave; in November, 1962, one more bishop and three priests were expelled. Meanwhile, the Pope had excommunicated Duvalier and all who were involved.

Duvalier clearly reckoned that his source of support came from the great illiterate masses who care little about their Catholic faith. The good Catholics of Haiti are the members of the *élite*, a slice of perhaps two per cent of all Haitians. In former days this mulatto aristocracy enjoyed possession of the better lands, and were the intellectual and cultural first-citizens of the nation. As arrogant a group of chief citizens as any country has known, this *élite* had never taken a lively interest in improving the lot of the common man. Most of the Catholic priests, especially in the higher echelons, were French-educated and sympathetic to the *élite* and many of the Catholic *élite* were escaping into exile.

On the other hand, the Negro masses were faithful to their voodooism, a body of animistic rituals brought by their slave ancestors from Dahomey, the Congo and the Sudan. Duvalier himself, while loudly protesting his

Catholic faith, also claimed loyalty to the voodoo tradition.

Another of Duvalier's enemies is the Dominican Republic. There has always been violent antagonism between the two little nations. In 1937, at General Rafael Trujillo's order, some thousands of Haitians were massacred on Dominican soil (where they had moved to seek more profitable jobs than were available in Haiti). Thereafter, relations were embittered; but under pressure from the United States, Trujillo refrained from repetition of such violence. Then on May 30, 1961, Trujillo was assassinated.

During the succeeding months, and especially after Juan Bosch became Dominican president in February, 1963, there have been repeated invasions of Haiti by Haitian exiles and others operating from Dominican territory.

In April, 1963, the Dominican government broke off diplomatic relations with Haiti. The immediate cause was the earlier attack by Haitian police upon the Dominican Embassy in Port-au-Prince, where numerous Haitian critics of Duvalier had found asylum. The case was taken to the Organization of American States, which sent a commission of inquiry to Haiti. Duvalier yielded for the moment, and then continued his attacks. The O.A.S. commission returned on two occasions in 1962 and 1963, but there was little it could do to moderate Duvalier's highhandedness.

U.S.-HAITI RELATIONS

Duvalier has also excited the hostility of the United States. Washington understandably regarded the existence of virtual anarchy in Haiti as dangerous to the tranquillity of the Caribbean, and feared that such a situation might invite the intervention of Communist-tinted Fidel Castro. The United States found itself in a curious position, for Haiti stood high among the recipients of United States foreign aid.

During the 16 years ending in mid-1961 the Haitian government had received a total of over \$57 million in direct aid from the United States. In 1960, the allotment to

Haiti was about \$12 million. Since Duvalier became President in 1957, the Haitian budget has ranged between \$34 and \$38 million, of which about 62 per cent goes to the military forces. And during the year 1961, it is estimated that some \$6 million were not accounted for in any fashion. It was a thoroughly untidy affair, and one which made it difficult for United States congressmen to get foreign aid appropriations.

The crisis in American opinion became acute when Duvalier declared himself "re-elected"; Washington found it expedient to recall its ambassador for consultation rather than have him grace the solemn "inauguration." Duvalier found relief in heaping abuse upon the imperialistic United States, its President, and on other leaders. As all these abuses mounted, Washington began to withdraw most of its financial aid, aside from the anti-malaria expenses in southern Haiti, and its pledge to furnish \$2.8 million for the building of an airport; and in 1963, the United States cancelled the airport agreement.

In May, 1963, when the bombings and miscellaneous violence of the *Tonton Macoutes* had made life perilous for all foreigners and for many Haitians, Washington ordered the withdrawal of the families of all American personnel, and advised evacuation of other Americans. Eight ships of the American fleet were kept on the alert just outside Port-au-Prince. American diplomatic relations with Haiti were "suspended" briefly in May, 1963; when they were resumed in June, 1963, it was announced that American Ambassador Raymond L. Thurston had been relieved of his office at the insistence of the Duvalier regime.

The patience of the Kennedy administration was worn thin by mid-1963; but the alternatives were all unpleasant. Armed intervention did not seem hopeful. The United States had intervened in 1915 but marine rule had solved nothing; it only served to irritate relations with the other Latin American governments. A cooperative police action, in which some other Latin American governments would share, was discussed, but it seemed unlikely that any other government

would agree. Continued support of Duvalier, as a hedge against communism, was generally regarded as absurd. Even formal recognition was described by some critics as bestowing American blessing upon the bestiality of Duvalier.

Washington decided to wait it out during the summer and fall of 1963. During the early summer a rumor had circulated that Duvalier was about to quit Haiti, but it proved groundless. Bombings and other violence increased when Duvalier's enemies sought revenge, and Duvalier and his thugs committed further outrages in retaliation. A particularly savage measure was Duvalier's clearing of a wide strip of territory along the Dominican border, with wholesale burning of Haitian farm houses—a scheme devised to prevent plotting along that border. Another Duvalier action which angered official Washington was the raid of the *Tonton Macoutes* upon the Artibonite Valley in Central Haiti; they seized the houses and lands of some thousands who had taken advantage of a United States-financed project in that area. This TVA-type project, launched in 1951 by President Paul Magloire, was designed to harness the river for power, irrigation water, and flood control. Washington had put \$14 million into this project at the beginning, but gradually the bill had mounted to over \$40 million—all American money. The dam had been built, flood water had been controlled, irrigation had been provided, and settlers had moved in. However, thanks to a deadlock between Washington (which would provide no more money) and the Haitians (who resented the help of foreign technicians), no electric current was being generated, even by 1963. Three 32,000 kw

(Continued on page 52)

Hubert Herring has been writing and lecturing about Latin America since 1924, spending considerable time in all the nations to the south. He is the author of *Good Neighbors* (1942), *America and the Americans* (1944), and *A History of Latin America* (1955, revised 1961).



PARTNERS IN THE ALLIANCE

Reprinted from *Alliance for Progress: An American Partnership*, Published by the Agency for International Development, U.S. Department of State, 1963.

CURRENT DOCUMENTS

The Charter of Punta del Este

On August 17, 1961, all members of the Organization of American States (O.A.S.) except Cuba signed the Charter of Punta del Este, establishing the Alliance for Progress. Because of the continuing importance of the Alliance, the complete text of this document is here reprinted in full:

ESTABLISHING THE ALLIANCE FOR PROGRESS WITHIN THE FRAMEWORK OF OPERATION PAN AMERICA

Preamble

We, the American Republics, hereby proclaim our decision to unite in a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty.

Almost two hundred years ago we began in this Hemisphere the long struggle for freedom which now inspires people in all parts of the world. Today, in ancient lands, men moved to hope by the revolutions of our young nations search for liberty. Now we must give a new meaning to that revolutionary heritage. For America stands at a turning point in history. The men and women of our Hemisphere are reaching for the better life which today's skills have placed within their grasp. They are determined for themselves and their children to have decent and ever more abundant lives, to gain access to knowledge and equal opportunity for all, to end those conditions which benefit the few at the expense of the needs and dignity of the many. It is our inescapable task to fulfill these just desires—to demonstrate to the poor and forsaken of our countries, and of all lands, that the creative powers of free men hold the key to their progress and to the progress of future generations. And our certainty of ultimate success rests not alone on our faith in ourselves and in our nations but on the indomitable spirit of free man which has been the heritage of American civilization.

Inspired by these principles, and by the principles of Operation Pan America and the Act of Bogotá, the American Republics hereby resolve to adopt the following program of action to establish and carry forward an Alliance for Progress.

TITLE I

Objectives of the Alliance for Progress

It is the purpose of the Alliance for Progress to

enlist the full energies of the peoples and governments of the American republics in a great co-operative effort to accelerate the economic and social development of the participating countries of Latin America, so that they may achieve maximum levels of well-being, with equal opportunities for all, in democratic societies adapted to their own needs and desires.

The American republics agree to work toward the achievement of the following fundamental goals in the present decade:

1. To achieve in the participating Latin American countries a substantial and sustained growth of per capita incomes at a rate designed to attain, at the earliest possible date, levels of income capable of assuring self-sustaining development, and sufficient to make Latin American income levels constantly larger in relation to the levels of the more industrialized nations. In this way the gap between the living standards of Latin America and those of the more developed countries can be narrowed. Similarly, presently existing differences in income levels among the Latin American countries will be reduced by accelerating the development of the relatively less developed countries and granting them maximum priority in the distribution of resources and in international cooperation in general. In evaluating the degree of relative development, account will be taken not only of average levels of real income and gross product per capita, but also of indices of infant mortality, illiteracy, and per capita daily caloric intake.

It is recognized that, in order to reach these objectives within a reasonable time, the rate of economic growth in any country of Latin America should be not less than 2.5 per cent per capita per year, and that each participating country should determine its own growth target in the light of its stage of social and economic evolution, resource endowment, and ability to mobilize national efforts for development.

2. To make the benefits of economic progress

available to all citizens of all economic and social groups through a more equitable distribution of national income, raising more rapidly the income and standard of living of the needier sectors of the population, at the same time that a higher proportion of the national product is devoted to investment.

3. To achieve balanced diversification in national economic structures, both regional and functional, making them increasingly free from dependence on the export of a limited number of primary products and the importation of capital goods while seeking to attain stability in the prices of exports or in income derived from exports.

4. To accelerate the process of rational industrialization so as to increase the productivity of the economy as a whole, taking full advantage of the talents and energies of both the private and public sectors, utilizing the natural resources of the country and providing productive and remunerative employment for unemployed or part-time workers. Within this process of industrialization, special attention should be given to the establishment and development of capital-goods industries.

5. To raise greatly the level of agricultural productivity and output and to improve related storage, transportation, and marketing services.

6. To encourage, in accordance with the characteristics of each country, programs of comprehensive agrarian reform leading to the effective transformation, where required, of unjust structures and systems of land tenure and use, with a view to replacing latifundia and dwarf-holdings by an equitable system of land tenure so that, with the help of timely and adequate credit, technical assistance and facilities for the marketing and distribution of products, the land will become for the man who works it the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity.

7. To eliminate adult illiteracy and by 1970 to assure, as a minimum, access to six years of primary education for each school-age child in Latin America; to modernize and expand vocational, secondary and higher educational and training facilities, to strengthen the capacity for basic and applied research, and to provide the competent personnel required in rapidly-growing societies.

8. To increase life expectancy at birth by a minimum of five years, and to increase the ability to learn and produce, by improving individual and public health. To attain this goal it will be necessary, among other measures, to provide adequate potable water supply and drainage to not less than 70 per cent of the urban and 50 per cent of the rural population; to reduce the mortality rate of children less than five years of age to at least one-half of the present rate; to control the more serious transmissible diseases, according to their importance as a cause of sickness and death; to eradicate

those illnesses, especially malaria, for which effective cures are known; to improve nutrition; to train medical and health personnel to meet at least minimum standards of competence; to improve basic health services at national and local levels; to intensify scientific research and apply its results more fully and effectively to the prevention and cure of illness.

9. To increase the construction of low-cost houses for low-income families in order to replace inadequate and deficient housing and to reduce housing shortages; and to provide necessary public services to both urban and rural centers of population.

10. To maintain stable price levels, avoiding inflation or deflation and the consequent social hardships and maldistribution of resources, bearing always in mind the necessity of maintaining an adequate rate of economic growth.

11. To strengthen existing agreements on economic integration, with a view to the ultimate fulfillment of aspirations for a Latin American common market that will expand and diversify trade among the Latin American countries and thus contribute to the economic growth of the region.

12. To develop cooperative programs designed to prevent the harmful effects of excessive fluctuations in the foreign exchange earnings derived from exports of primary products, which are of vital importance to economic and social development; and to adopt the measures necessary to facilitate the access of Latin American exports to international markets.

TITLE II

Economic and Social Development

Chapter I. Basic Requirements for Economic and Social Development

The American republics recognize that to achieve the foregoing goals it will be necessary:

1. That comprehensive and well-conceived national programs of economic and social development, aimed at the achievement of self-sustaining growth, be carried out in accordance with democratic principles.

2. That national programs of economic and social development be based on the principle of self-help—as established in the Act of Bogotá—and the maximum use of domestic resources, taking into account the special conditions of each country.

3. That in the preparation and execution of plans for economic and social development, women should be placed on an equal footing with men.

4. That the Latin American countries obtain sufficient external financial assistance, a substantial portion of which should be extended on flexible conditions with respect to periods and terms of repayment and forms of utilization, in order to supplement domestic capital formation and reinforce

their import capacity; and that, in support of well-conceived programs, including the necessary structural reforms and measures for the mobilization of internal resources, a supply of capital from all external sources during the coming ten years of at least 20 billion dollars be made available to the Latin American countries, with priority to the relatively less developed countries. The greater part of this sum should be in public funds.

5. That institutions in both the public and private sectors, including labor, cooperative, commercial, industrial, and financial institutions, be strengthened and improved for increasingly effective use of domestic resources, and that the necessary social reforms be effected to permit a fair distribution of the fruits of economic and social progress.

Chapter II. National Development Programs

1. Participating Latin American countries agree to introduce or strengthen systems for the preparation, execution and periodic revision of national programs for economic and social development consistent with the principles, objectives and requirements contained in this document. Participating Latin American countries should formulate, if possible within the next eighteen months, long-term development programs. Such programs should embrace, according to the characteristics of each country, the elements outlined in the Appendix.

2. National development programs should incorporate self-help efforts directed to:

a. The improvement of human resources and widening of opportunities through raising general standards of education and health; improving and extending technical education and the training of professionals, with emphasis on science and technology; providing adequate remuneration for work performed; encouraging managerial, entrepreneurial, and salaried talent; providing more productive employment for underemployed manpower; establishing effective systems of labor relations, and procedures for consultation and collaboration among public authorities, employer associations, and labor organizations; promoting local institutions for basic and applied research; and improving the standards of public administration.

b. The wider development and more efficient use of natural resources, especially those which are now idle or underutilized, including measures for the processing of raw materials.

c. The strengthening of the agricultural base, progressively extending the benefits of the land to those who work it, and ensuring in countries with Indian populations the integration of these populations into the economic, social, and cultural processes of modern life. To carry out these aims,

measures should be adopted, among others, to establish or improve, as the case may be, the following services: extension, credit, technical assistance, agricultural research and mechanization; health and education; storage and distribution; cooperatives and farmers' associations; and community development.

d. The more effective, rational and equitable mobilization and use of financial resources through the reform of tax structures, including fair and adequate taxation of large incomes and real estate, and the strict application of measures to improve fiscal administration. Development programs should include the adaptation of budget expenditures to development needs, measures for the maintenance of price stability, the creation of essential credit facilities at reasonable rates of interest, and the encouragement of private savings.

e. The promotion through appropriate measures, including the signing of agreements for the purpose of reducing or eliminating double taxation, of conditions that will encourage the flow of foreign investments and help to increase the capital resources of participating countries in need of capital.

f. The improvement of systems of distribution and sales in order to make markets more competitive and prevent monopolistic practices.

Chapter III. Immediate and Short-Term Action Measures

1. Recognizing that a number of Latin American countries, despite their best efforts, may require emergency financial assistance, the United States will provide assistance from the funds which are or may be established for such purposes. The United States stands ready to take prompt action on applications for such assistance. Applications relating to existing situations should be submitted within the next 60 days.

2. Participating Latin American countries should immediately increase their efforts to accelerate their development, giving special emphasis (in addition to the creation or strengthening of machinery for long-term development programming) to the following objectives:

a. The completion of projects already under way and the initiation of projects for which the basic studies have been made in order to accelerate their financing and execution.

b. The implementation of new projects which are designed:

i. To meet the most pressing social needs and benefit directly the greatest number of people;

ii. To concentrate efforts within each country in the less developed or more depressed areas in which particularly serious social problems exist;

- iii. To utilize idle capacity or resources, particularly underemployed manpower;
- iv. To survey and assess natural resources.
- c. The facilitation of the preparation and execution of longterm programs through measures designed:
 - i. To train teachers, technicians, and specialists;
 - ii. To provide accelerated training to workers and farmers;
 - iii. To improve basic statistics;
 - iv. To establish needed credit and marketing facilities;
 - v. To improve services and administration.
- 3. The United States will assist in the realization of these short-term measures with a view to achieving concrete results from the Alliance for Progress at the earliest possible moment. In connection with the measures set forth above, and in accordance with the statement of President Kennedy, the United States will provide assistance under the Alliance, including assistance for the financing of short-term measures, totalling more than one billion dollars in the year ending March 1962.

Chapter IV. External Assistance in Support of National Development Programs

- 1. The economic and social development of Latin America will require large public and private financial assistance on the part of capital-exporting countries, including the members of the Development Assistance Group and international lending agencies. The measures provided for in the Act of Bogotá and the new measures provided for in this Charter are designed to create a framework within which such additional assistance can be provided and effectively utilized.
- 2. The United States will assist those participating countries whose Development Programs establish self-help measures, economic policies and programs consistent with the goals and principles of this Charter. To supplement the domestic efforts of such countries, the United States is prepared to allocate resources which, along with those anticipated from other external sources, will be of a scope and magnitude adequate to realize the goals envisaged in this Charter. Such assistance will be allocated to both social and economic development, and where appropriate, will take the form of grants or loans on flexible terms and conditions. The participating countries will request the assistance of other capital-exporting countries and international institutions so that they may provide assistance for the attainment of these objectives.
- 3. The United States will assist in the financing of technical assistance projects proposed by a participating country or by the Secretariat of the Organization of American States for the purpose of;

a) contracting, in agreement with governments, for experts to assist the governments, including the preparation of specific investment projects and the strengthening of national mechanisms for preparing projects, using specialized engineering firms where appropriate; b) carrying out, pursuant to cooperative agreements existing among the Secretariat of the Organization of American States, the Economic Commission for Latin America, and the Inter-American Development Bank, field investigations and studies, including those relating to development problems, the organization of national planning agencies and the preparation of development programs, agrarian reform and rural development; health, cooperatives, housing, education and professional training, and taxation and tax administration; and c) convening meetings of experts and officials on development and related problems.

The governments or above-mentioned organizations should, when appropriate, seek the cooperation of the United Nations and its Specialized Agencies in the execution of these activities.

4. The participating Latin American countries recognize that each has in varying degree a capacity to assist fellow republics by providing external technical and financial assistance. They recognize that this capacity will increase as their economies grow. They therefore affirm their intention to assist fellow republics increasingly as their individual circumstances permit.

Chapter V. Organization and Procedures

1. In order to provide technical assistance for the formulation of development programs, as may be requested by participating nations, the Organization of American States, the Economic Commission for Latin America, and the Inter-American Development Bank will continue and strengthen their agreements for coordination in this field, in order to have available a group of programming experts whose service can be used to facilitate the implementation of this Charter. The participating countries will also seek an intensification of technical assistance from the Specialized Agencies of the United Nations for the same purpose.

2. The Inter-American Economic and Social Council, on the joint nomination of the Secretary General of the Organization of American States, the President of the Inter-American Development Bank, and the Executive Secretary of the United Nations Economic Commission for Latin America, will appoint a panel of nine high-level experts, exclusively on the basis of their experience, technical ability, and competence in the various aspects of economic and social development. The experts may be of any nationality, though if of Latin American origin an appropriate geographical distribution will be sought. They will be attached to the Inter-American Economic and Social Council, but will

nevertheless enjoy complete autonomy in the performance of their duties. They may not hold any other remunerative position. The appointment of these experts will be for a period of three years, and may be renewed.

3. Each government, if it so wishes, may present its program for economic and social development for consideration by an ad hoc committee, composed of no more than three members drawn from the panel of experts referred to in the preceding paragraph together with an equal number of experts not on the panel. The experts who compose the ad hoc Committee will be appointed by the Secretary General of the Organization of American States at the request of the interested government and with its consent.

4. The Committee will study the development program, exchange opinions with the interested government as to possible modifications and, with the consent of the government, report its conclusions to the Inter-American Development Bank and to other governments and institutions that may be prepared to extend external financial and technical assistance in connection with the execution of the program.

5. In considering a development program presented to it, the ad hoc Committee will examine the consistency of the program with the principles of the Act of Bogotá and of this Charter, taking into account the elements in the Appendix.

6. The General Secretariat of the Organization of American States will provide the personnel needed by the experts referred to in paragraphs 2 and 3 of this Chapter in order to fulfill their tasks. Such personnel may be employed specifically for this purpose or may be made available from the permanent staffs of the Organization of American States, the Economic Commission for Latin America, and the Inter-American Development Bank, in accordance with the present liaison arrangements between the three organizations. The General Secretariat of the Organization of American States may seek arrangements with the United Nations Secretariat, its Specialized Agencies and the Inter-American Specialized Organizations, for the temporary assignment of necessary personnel.

7. A government whose development program has been the object of recommendations made by the ad hoc Committee with respect to external financing requirements may submit the program to the Inter-American Development Bank so that the Bank may undertake the negotiations required to obtain such financing, including the organization of a consortium of credit institutions and governments disposed to contribute to the continuing and systematic financing, on appropriate terms, of the development program. However, the government will have full freedom to resort through any other channels to all sources of financing, for the purpose

of obtaining, in full or in part, the required resources.

The ad hoc Committee shall not interfere with the right of each government to formulate its own goals, priorities, and reforms in its national development programs.

The recommendations of the ad hoc Committee will be of great importance in determining the distribution of public funds under the Alliance for Progress which contribute to the external financing of such programs. These recommendations shall give special consideration to Title I. 1.

The participating governments will also use their good offices to the end that these recommendations may be accepted as a factor of great importance in the decisions taken, for the same purpose, by Inter-American credit institutions, other international credit agencies, and other friendly governments which may be potential sources of capital.

8. The Inter-American Economic and Social Council will review annually the progress achieved in the formulation, national implementation, and international financing of development programs; and will submit to the Council of the Organization of American States such recommendations as it deems pertinent.

Appendix

Elements of National Development Programs

1. The establishment of mutually consistent targets to be sought over the program period in expanding productive capacity in industry, agriculture, mining, transport, power and communications, and in improving conditions of urban and rural life, including better housing, education and health.

2. The assignment of priorities and the description of methods to achieve the targets, including specific measures and major projects. Specific development projects should be justified in terms of their relative costs and benefits, including their contribution to social productivity.

3. The measures which will be adopted to direct the operations of the public sector and to encourage private action in support of the development program.

4. The estimated cost, in national and foreign currency, of major projects and of the development program as a whole, year by year over the program period.

5. The internal resources, public and private, estimated to become available for the execution of the program.

6. The direct and indirect effects of the program on the balance of payments, and the external financing, public and private, estimated to be required for the execution of the program.

7. The basic fiscal and monetary policies to be

followed in order to permit implementation of the program within a framework of price stability.

8. The machinery of public administration—including relationships with local governments, decentralized agencies and non-governmental organizations, such as labor organizations, cooperatives, business and industrial organizations—to be used in carrying out the program, adapting it to changing circumstances and evaluating the progress made.

TITLE III

ECONOMIC INTEGRATION OF LATIN AMERICA

The American republics consider that the broadening of present national markets in Latin America is essential to accelerate the process of economic development in the Hemisphere. It is also an appropriate means for obtaining greater productivity through specialized and complementary industrial production which will, in turn, facilitate the attainment of greater social benefits for the inhabitants of the various regions of Latin America. The broadening of markets will also make possible the better use of resources under the Alliance for Progress. Consequently, the American Republics recognize that:

1. The Montevideo Treaty (because of its flexibility and because adherence to it is available to all of the Latin American nations) and the Central American Treaty on Economic Integration are appropriate instruments for the attainment of these objectives, as was recognized in Resolution No. 11 (III) of the Ninth Session of the Economic Commission for Latin America.

2. The integration process can be intensified and accelerated not only by the specialization resulting from the broadening of markets through the liberalization of trade but also through the use of such instruments as the agreements for complementary production within economic sectors provided for in the Montevideo Treaty.

3. In order to insure the balanced and complementary economic expansion of all of the countries involved, the integration process should take into account, on a flexible basis, the condition of countries at a relatively less advanced stage of economic development, permitting them to be granted special, fair, and equitable treatment.

4. In order to facilitate economic integration in Latin America, it is advisable to establish effective relationships between the Latin American Free Trade Association and the group of countries adhering to the Central American Economic Integration Treaty, as well as between either of these groups and other Latin American countries. These arrangements should be established within the limits determined by these instruments.

5. The Latin American countries should co-ordinate their actions to meet the unfavorable treatment accorded to their foreign trade in world

markets, particularly that resulting from certain restrictive and discriminatory policies of extra-continental countries and economic groups.

6. In the application of resources under the Alliance for Progress, special attention should be given not only to investments for multinational projects that will contribute to strengthening the integration process in all its aspects, but also to the indispensable financing of industrial production, and to the growing expansion of trade in industrial products within Latin America.

7. In order to facilitate the participation of countries at a relatively lower stage of economic development in multinational Latin American economic cooperation programs, and in order to promote the balanced and harmonious development of the Latin American integration process, special attention should be given to the needs of these countries in the administration of financial resources provided under the Alliance for Progress, particularly in connection with infrastructure programs and the promotion of new lines of production.

8. The economic integration process implies a need for additional investment in various fields of economic activity and funds provided under the Alliance for Progress should cover these needs as well as those required for the financing of national development programs.

9. When groups of Latin American countries have their own institutions for financing economic integration, the financing referred to in the preceding paragraph should preferably be channeled through these institutions. With respect to regional financing designed to further the purposes of existing regional integration instruments, the co-operation of the Inter-American Development Bank should be sought in channeling extra-regional contributions which may be granted for these purposes.

10. One of the possible means for making effective a policy for the financing of Latin American integration would be to approach the International Monetary Fund and other financial sources with a view to providing a means for solving temporary balance-of-payments problems that may occur in countries participating in economic integration arrangements.

11. The promotion and coordination of transportation and communications systems is an effective way to accelerate the integration process. In order to counteract abusive practices in relation to freight rates and tariffs, it is advisable to encourage the establishment of multi-national transport and communication enterprises in the Latin American countries, or to find other appropriate solutions.

12. In working toward economic integration and complementary economies, efforts should be made to achieve an appropriate coordination of national

plans, or to engage in joint planning for various economies through the existing regional integration organizations. Efforts should also be made to promote an investment policy directed to the progressive elimination of unequal growth rates in the different geographic areas, particularly in the case of countries which are relatively less developed.

13. It is necessary to promote the development of national Latin American enterprises, in order that they may compete on an equal footing with foreign enterprises.

14. The active participation of the private sector is essential to economic integration and development, and except in those countries in which free enterprise does not exist, development planning by the pertinent national public agencies, far from hindering such participation, can facilitate and guide it, thus opening new perspectives for the benefit of the community.

15. As the countries of the Hemisphere still under colonial domination achieve their independence, they should be invited to participate in Latin American economic integration programs.

TITLE IV BASIC EXPORT COMMODITIES

The American Republics recognize that the economic development of Latin America requires expansion of its trade, a simultaneous and corresponding increase in foreign exchange incomes received from exports, a lessening of cyclical or seasonal fluctuations in the incomes of those countries that still depend heavily on the export of raw materials, and the correction of the secular deterioration in their terms of trade.

They therefore agree that the following measures should be taken:

I. National Measures

National measures affecting commerce in primary products should be directed and applied in order to:

1. Avoid undue obstacles to the expansion of trade in these products;
2. Avoid market instability;
3. Improve the efficiency of international plans and mechanisms for stabilization;
4. Increase their present markets and expand their area of trade at a rate compatible with rapid development.

Therefore:

A. Importing member countries should reduce and if possible eliminate, as soon as feasible, all restrictions and discriminatory practices affecting the consumption and importation of primary products, including those with the highest possible degree of processing in the country of origin, except when these restrictions are imposed temporarily for purposes of economic diversification, to hasten the economic development of less developed nations,

or to establish basic national reserves. Importing countries should also be ready to support, by adequate regulations, stabilization programs for primary products that may be agreed upon with producing countries.

B. Industrialized countries should give special attention to the need for hastening economic development of less developed countries. Therefore, they should make maximum efforts to create conditions, compatible with their international obligations, through which they may extend advantages to less developed countries so as to permit the rapid expansion of their markets. In view of the great need for this rapid development, industrialized countries should also study ways in which to modify, wherever possible, international commitments which prevent the achievement of this objective.

C. Producing member countries should formulate their plans for production and export, taking account of their effect on world markets and of the necessity of supporting and improving the effectiveness of international stabilization programs and mechanisms. Similarly they should try to avoid increasing the uneconomic production of goods which can be obtained under better conditions in the less developed countries of the Continent and which are an important source of employment.

D. Member countries should adopt all necessary measures to direct technological studies toward finding new uses and by-products of those primary commodities that are most important to their economies.

E. Member countries should try to reduce, and, if possible, eliminate within a reasonable time export subsidies and other measures which cause instability in the markets for basic commodities and excessive fluctuations in prices and income.

II. International Cooperation Measures

1. Member countries should make coordinated, and if possible, joint, efforts designed:

- a. To eliminate as soon as possible undue protection of the production of primary products;
- b. To eliminate internal taxes and reduce excessive domestic prices which discourage the consumption of imported primary products;
- c. To seek to end preferential agreements and other measures which limit world consumption of Latin American primary products and their access to international markets, especially the markets of Western European countries in process of economic integration, and of countries with centrally planned economies.
- d. To adopt the necessary consultation mechanisms so that their marketing policies will not have damaging effects on the stability of the markets of basic commodities.

2. Industrialized countries should give maximum

cooperation to less developed countries so that their raw material exports will have the greatest degree of processing that is economic.

3. Through their representation in international financial organizations, member countries should suggest that these organizations, when considering loans for the promotion of production for export, take into account the effect of such loans on products which are in surplus in world markets.

4. Member countries should support the efforts being made by international commodity study groups and by the Commission on International Commodity Trade of the United Nations. In this connection, it should be considered that producing and consuming nations bear a joint responsibility for taking national and international steps to reduce market instability.

5. The Secretary General of the Organization of American States shall convene a group of experts appointed by their respective Governments to meet before November 30, 1961 and to report, not later than March 31, 1962 on measures to provide an adequate and effective means of offsetting the effects of fluctuations in the volume and prices of exports of basic products. The Government experts shall:

- a. Consider the questions regarding compensatory financing raised during the present meeting;
- b. Analyze the proposal for establishing an international fund for the stabilization of export receipts submitted in the Report of the Group of Experts to the Special Meeting of the IA-ECOSOC as well as any other alternative proposals;
- c. Prepare a draft plan for the creation of mechanisms for compensatory financing. This draft plan should be circulated among the member Governments and their opinions obtained well in advance of the next meeting of the Commission on International Commodity Trade.

6. Member countries should support the efforts under way to improve and strengthen international commodity agreements and should be prepared to cooperate in the solution of specific commodity

problems. Furthermore, they should endeavor to adopt adequate solutions for the short- and long-term problems affecting markets for primary products so that the economic interests of producers and consumers are equally safeguarded.

7. Member countries should request the cooperation of other producer and consumer countries in stabilization programs, bearing in mind that the raw materials of the Western Hemisphere are also produced and consumed in other parts of the world.

8. Member countries recognize that the disposal of accumulated reserves and surpluses can be a source for achieving the goals outlined in the first part of this Title, so that, together with the generation of local resources, the consumption of essential products in the receiving countries may be simultaneously increased. The disposal of surpluses and reserves should be carried out in an orderly manner, in order to:

- a. Avoid disturbing existing commercial markets in member countries, and
- b. Expand the sale of their products to other markets.

However, it is recognized that:

- a. The disposal of surpluses should not displace commercial sales of identical products traditionally carried out by other countries; and
- b. Such sales should not substitute for large scale financial and technical assistance programs.

IN WITNESS WHEREOF this Charter is signed, in Punta del Este, Uruguay, on the seventeenth day of August, nineteen hundred sixty-one.

The original texts shall be deposited in the archives of the Pan American Union, through the Secretary General of the Special Meeting, in order that certified copies may be sent to the Governments of the Member States of the Organization of American States.

The records of the Conference include a statement that the only authoritative text of agreements reached during the Conference is contained in the Charter of Punta del Este and in the specific resolutions passed by the Conference.

This is a memorable occasion for our hemisphere. Here two great currents have come together: the spirit of pan-Americanism, which, in the democratic tradition of our Western civilization, unites our peoples in their love of individual freedom, of the right freely to choose their leaders and to have a part in making the laws under which they live; and, secondly, the burning desire of our peoples to achieve a status of health, education, and human dignity which will permit them to enjoy the full flowering of their individual talents.

We have met here in the tradition of free and equal sovereignty that guides our hemispheric relations. After full and free discussion—very useful discussion—we have taken a historic step. We have agreed upon the establishment of an Alliance for Progress. We have consecrated that agreement in the Charter of Punta del Este—a true landmark in the history of the Americas.

—Secretary of the Treasury Douglas Dillon, at Punta del Este, August, 1961

BOOK REVIEWS

NEW BOOKS ON LATIN AMERICA

THE WINE IS BITTER. The United States and Latin America. By MILTON S. EISENHOWER. (Garden City, New York: Doubleday and Company, Inc., 1963. 330 pages and index, \$4.95.)

Drawing on his long-term interest, knowledge and experience in Latin American affairs, Milton S. Eisenhower has written a timely and thought-provoking book which should interest every American citizen. He is firmly convinced that the "Hemisphere is truly on the verge of violent upheaval, and bloody revolutions will almost certainly lead to military or Communist dictatorship." Therefore, we must do everything in our power to make the Alliance for Progress effective.

His book is divided into three parts. The first describes the plight of the Latin American masses living under seventeenth century conditions and yearning for the opportunities of the twentieth century; their urgent need for better food, housing and sanitation, for education and for relief from the unjust land holding system. This section also outlines the need for sympathetic understanding of their problems.

Book Two deals with the staggering economic problems of Latin America: the disastrous effect on their economies of fluctuating prices on the world market for their export commodities, the unequal distribution of the land, the wasteful and antiquated farming methods, the inability of the area to feed itself, the scarcity of capital and the dangerous reliance on quick industrialization to solve economic ills, the inflation which comes in the wake of speedy industrialization. Our methods of economic aid to Latin America have in the past been orthodox; as Dr. Eisenhower points out: "diversify agriculture and make it more efficient; develop a diversified in-

dstry, extend massive amounts of credit for development projects which will produce jobs and income." But we have seen that this approach is inadequate. "Indeed, we have seen to our dismay that orthodox aid by itself could actually lead to a hatred of the United States. . . . The traditional approach, we concluded, cannot succeed as long as Latin America tries to build on a foundation of social injustice."

Book Three is concerned with the two revolutions smoldering in the hemisphere: the Alliance for Progress and Castro's communism, between which the Latin American nations must choose. Dr. Eisenhower feels that we must convince the Latin Americans that our interest in their welfare is real and lasting, that the Alliance for Progress is not just a weapon of the cold war. At the same time, he sees the problem of Inter-American relationships as a part of the larger issues which trouble the world—totalitarianism versus democratic freedom—and he believes the "greatest task of free world statesmanship is to weld a cooperative society into a dependable, permanent force."

LAW AND POLITICS IN INTER-AMERICAN DIPLOMACY. By C. NEALE RONNING. (New York: John Wiley & Sons, Inc., 1963. 167 pages, maps and index, \$5.95.)

With the achievement of independence of the 21 American states, "the vision of an America regulated by its own unique legal order appeared." A legal order soon began to develop, but by the mid-twentieth century an "uncoordinated and confusing" legal pattern had emerged as a result of "two conflicting desires among the states: the desire for order and predictability on the one hand, the desire for freedom of action on the other." This important study examines some of the inter-American

questions which have sometimes produced an emphasis on the desire for order and sometimes an emphasis on the desire for freedom of action, as well as currently crucial questions that are subject to conflicting legal interpretations. In the discussion of each of these questions the current political, economic and social factors which condition the changing doctrines and legal interpretations are explored with care.

INVISIBLE LATIN AMERICA. By SAMUEL SHAPIRO. (Boston: Beacon Press, 1963. 174 pages, map and index, \$3.95.)

The "invisible Latin America" of Professor Shapiro's title refers to the great mass of the population of the republics to the South who live in hunger and misery, who are mute now, but cannot be expected to bear their lot indefinitely. Changes in the centuries-old social and political order are in store. Some have already occurred and others are on the immediate horizon. Professor Shapiro examines the political, economic and social situations in six nations which reflect a rate of growth or change typical of the 20 Latin American states: Guatemala, Peru, Venezuela, Cuba, Mexico and Bolivia. In each case he discusses how United States policies have affected events in these nations.

Among his suggestions for constructive United States policies which would aid the peoples of Latin America he proposes that we eliminate the tariffs and quotas on Latin American commodities that have so severely damaged their economies; establish reasonable prices for Latin American export commodities by international agreement; stop supplying Latin American dictators with military aid; make an effort to stop the flow of capital from the area; increase our financial and technical aid and channel it to the rural areas where the need is greatest. This concise and keen survey also treats with penetration and sympathy some of the most pressing troubles of Latin America: archaic and

unjust systems of land holding and taxes, illiteracy and geographic problems.

MEXICO AND THE AMERICANS. By DANIEL JAMES. (New York: Frederick A. Praeger, 1963. 450 pages, bibliography and index, \$7.50.)

The author interprets the history of modern Mexico as essentially the history of Mexican nationalism. Both, he finds, fall into three neat compartments marked by three great national movements extending over a century: the revolution of 1810, the reform of 1857 and the revolution of 1910. All three of these movements "were struggles to win or maintain the independence of Mexico from foreign domination of any kind." The policies of the colossus to the North at times propelled, hindered or fostered Mexico's struggle to obtain international recognition of her nationhood. Manifest Destiny, the United States-Mexican War and United States policies during the reign of Maximilian are discussed at length. But the greater part of Mr. James' readable and informative study is concerned with the era of revolutionary social nationalism ushered in by the 1910 revolution, and with United States policies during critical stages of the revolution's development. Mr. James, who formerly was managing editor of *The New Leader* and has resided in Mexico for seven years, also offers a keen analysis of the cultural disparities between the two nations which make it unlikely that in the near future the United States will enjoy with its southern neighbor the kind of easy, friendly relationship it has enjoyed with Canada.

THE DILEMMA OF MEXICO'S DEVELOPMENT. The Roles of the Private and Public Sectors. By RAYMOND VERNON (Cambridge: Harvard University Press, 1963. 193 pages, foreword, map, tables, charts, notes and index, \$4.95.)

A valuable study of the complexities of Mexican economic activity, this is the first

of a series of studies of the relative roles of private enterprise and government in a number of developing countries, prepared under the direction of the Center for International Affairs of Harvard University and financed by the Ford Foundation. Although the Mexican government owns the petroleum industry, the bulk of the electric power industry, the railroads, some major steel plants, fertilizer plants and railroad equipment plants, a number of commercial and industrial banks, organizations engaged in the distribution of food and newsprint and a number of other institutions, the public sector in Mexico accounts for only one-tenth of the gross national output; the private sector accounts for nine-tenths. The importance of the interplay of the public and private sectors of the Mexican economy can only be appreciated, Professor Vernon points out, when it is recognized that the Mexican government "takes a major hand in rationing the supply of three factors which are perennially scarce at this stage of Mexico's growth, to wit, credits, imports and public facilities."

VIVA JUÁREZ! By CHARLES ALLEN SMART. (Philadelphia and New York: J. B. Lippincott Company, 1963. 417 pages, preface, maps, notes and index, \$7.95.)

An excellent biography of the founder of modern Mexico which draws heavily upon Juárez's own writings, this includes the complete text of his *Notes for My Children*, available in English for the first time, and extensive passages from his correspondence and diary. Employing these materials, the author gives a revealing account of the personal and public life of the Indian lawyer. His struggle to lift himself from poverty and illiteracy to the leadership of his country, and his political ideals and experiences, bring to mind the career of Lincoln. Juárez's early excursions into politics, his dealings with other Mexican politicians, his indomitable resistance to the French intervention, and his measures to destroy the special position and

privileges of the church and the army and to wield his nation into a unit are treated fully.

BRAZIL ON THE MOVE. By JOHN DOS PASSOS. (Garden City, New York: Doubleday & Company, Inc., 1963. 205 pages, \$3.95.)

A distinguished American novelist and historian records his lively impressions of Brazil gained on three trips to that country in 1949, 1956 and 1962. He describes the exuberant energy of its peoples and the nation's severe physical handicaps. He gives a vivid picture of the struggle against geographical barriers and the battle against disease which impedes Brazil's social and economic progress and of the building of urban centers and agricultural colonies including Brasilia and the agricultural settlement in the state of Goiás. He also offers brilliant pen portraits of many of the nation's pioneering spirits, the designers, engineers and architects of the new Brazil: Sayão, the roadbuilder; Dr. Israél, the director of the government corporation that developed Brasilia; the architect, Niemeyer; the journalist, Carlos Lacerda; and of such political figures as Vargas, Kubitschek, Quadros and Governor Alves of Rio Grande do Norte.

T.H.B.

HISTORY AND POLITICS

THE M.R.P. AND FRENCH FOREIGN POLICY. By RUSSELL B. CAPELLE. (New York: Frederick A. Praeger, 1963. 196 pages, bibliography and index, \$5.50.)

After 1944, with old-line political parties discredited by the disaster of 1940 and by their acquiescence in France's subsequent shame, the *Mouvement Républicain Populaire*, born of the Resistance, provided a "respectable" haven for Catholics and conservatives wishing to avoid both de Gaulle and the moderate but anti-clerical leftism of other parties. Catholics and conservatives were not alone in supporting it and,

for a while, believers in social reform and social reconciliation could put their hopes in the new movement.

The M.R.P., however, soon shed its progressive pretensions and settled down to enjoy the possibilities of power—or, rather, office—which its central position in the political spectrum afforded. Its members (or ex-members) appeared in practically every government of the Fourth Republic and, also, of the Fifth. It was a Popular Republican (Pflimlin) who, in 1958, helped bury the Fourth Republic; it was a sometime-M.R.P. (Buron) who, in 1963, dashed Britain's hopes of joining the Common Market. Above all, it was the leaders of the M.R.P. who, from the Quai d'Orsay, directed and misdirected French Foreign Affairs from 1944 to 1954, involved the country in the weary Indochina war, fumbled their way towards some form of European integration, and put off as long as they could the liquidation of France's Empire overseas.

It is this latter story, important and potentially fascinating in itself, that Capelle tells, but not very well. His occasional remarks on the social and electoral background of the party are illuminating; his presentation of the complex political developments is thin and sometimes confusing; his scholarly objectivity shuns the temptations of interpretative analysis. But his book is the only one we have on the subject. Until a better one comes along, some may wish to consult it.

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UNCONDITIONAL SURRENDER. THE IMPACT OF THE CASABLANCA POLICY UPON WORLD WAR II. By ANNE ARMSTRONG. (New Brunswick: Rutgers University Press, 1963. 304 pages, appendices, bibliography and index, \$6.50.)

The Allied demand for their enemies' unconditional surrender seriously delayed the end of war by hindering those on both sides who wanted to treat the conflict as

a military and political one. By treating the war as a moral conflict, in which compromise with evil was impossible, the Allies, and especially President Roosevelt, stiffened the resistance before them, removed all possibility of negotiation, and were probably responsible for many unnecessary deaths. Few can doubt that this was so: the major question is whether the moral game was worth the candle, and on this opinions naturally differ.

The United States has always viewed its political actions in a moralistic, even sanctimonious, light. *Gott* was always *mit uns*, whether we invaded Mexico or slaughtered Indians—the *Gott* of liberal Princeton, if not of Calvinist Geneva. And this realization inclines the historian to scepticism. Yet, undeniably, Roosevelt's moral instinct was right when it proclaimed that no compromise was possible with evil, and Nazi Germany stood for evil if any power in history ever did.

Where Roosevelt was wrong, it seems, was in refusing to discriminate between degrees of evil. He perhaps was lacking the historical sense which knows how little moral judgments affect the political arrangements following a crisis: one public enemy is soon replaced by another, and the definition of evil is adapted to new views of national interest so that those who died to save us from one evil seem suddenly to have been facing the wrong way, to have been sacrificed not in the wrong cause, but in one which has become irrelevant.

The men whose unconditional surrender we once demanded now serve—or lead—the hosts of light, while splendid allies of yesteryear now incarnate the power of evil. This is known as the irony of history, and provides good reason for keeping the innocent and the candid away from such strong stuff. Miss Armstrong has given us a scholarly morality tale, a little plodding, a little repetitious, and curiously one-sided, upon which it might be better for our peace of mind not to meditate too much. Nor, it seems, did she.

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COLOMBIA

(Continued from page 14)

version" (i.e., encouraging other exports and discouraging the expansion of coffee production) offers some possibilities although Colombia has been slow to exploit them and has even adopted contrary policies. Leather became a potential exchange earner a few years ago, but an export prohibition on this product was imposed on the grounds that exports would cause domestic shortages and higher internal prices. An important problem for small-market (in terms of income and population) countries who desire "development" is finding means of expanding sales and production so as to be able to take advantage of the economies of scale. For Colombia, more advanced in many respects than her neighbors, this should mean eagerness to export new products and not the reluctance cited above, nor the very ambivalent attitude toward the Latin American free trade association which she has exhibited. Especially with the completion of the Atlántico railroad from the interior to the Caribbean, trade possibilities with Venezuela and the Central American republics offer substantial prospects.

In summary, Colombia has made important strides forward in recent years. That she has done so in spite of severe obstacles is encouraging, for problems and obstacles remain. More than on any other factor, the future depends upon the stance and activity of the *Frente Nacional*, whose performance has been until now somewhat disappointing.

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ARGENTINA

(Continued from page 18)

heterogeneous aggregation of sectors situated somewhere in between the highest and lowest. After 1900, professionalization of the officer corps tended for a time to separate it from the rest of society and turn it into a monolithic caste. In recent decades, however, that tendency has been first checked and then reversed by a great expansion of what is now commonly called "civic action" on the part of the military. Of many examples that could be given, the most striking is the important role that the armed forces have come to play in the direction and management of industrial enterprises such as the government petroleum agency, Y.P.F., and the big new steel plant at San Nicolás.

Reintegration with a divided society could hardly fail to weaken the internal unity of the armed forces, and that has been the effect of the growth of their social action. In addition, their *esprit de corps* has suffered from repeated political purges in the last dozen years: first under Perón in 1951, then just

after his overthrow in 1955, and several times since then. The latest took place in September, 1963, when 196 officers were forced into retirement for subversive activities since 1958; among them were some of the top brass, including not only the former chief of the air force but also Rear Admiral Isaac Rojas, Vice-President of Argentina in the provisional government from 1955 to 1958.

Argentina's armed forces play a vigorous political role, which they first assumed in 1930, taking over the government in that year and again in 1943, 1955, and 1962. In none of the increasingly frequent crises of this third of a century have they presented a united front. Their disunity has apparently grown with the passage of time. Four times in its first 12 months, the thinly disguised military dictatorship set up after Frondizi's overthrow in March, 1962, was shaken by revolts led by military dissidents. Political differences as well as interservice and personal rivalries divide the armed forces. The two points on which they are most nearly united are hostility to Peronism and support of constitutional democracy.

The military leaders differ violently among themselves as to the course of action to be followed in each case, and these differences largely explain the four upheavals in the year beginning in April, 1962. Some would exterminate Peronism by force, others would kill it by kindness; some think the armed forces can best serve constitutional democracy by getting out of politics, others by maintaining the armed forces' role as final arbiter of political disputes.

Argentina's record suggests some sobering thoughts of broad application. It raises serious doubts about the notion, which has recently gained wide currency in the United States, that the political salvation of Latin America lies in the establishment of military regimes. It raises even more serious doubts about the expectation that the economic and social development of the underdeveloped countries of Latin America, Asia, and Africa will lead them directly to stable democracy. Argentina long since achieved a level of development in wealth, education, and other

respects which most of the world's underdeveloped countries cannot hope to reach for decades to come. Yet, now that the tempest-tossed Argentine people have another chance to get their bearings under the new Illía administration, their best hope is that the military will stop meddling in politics. The civil population can then devote its energies to its proper task of coping with the vastly unsettling effects produced in Argentina, by rapid economic development and the attendant growth of social complexity.

HAITI

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generators were on the site, but no one knew what to do with them. Nonetheless, the ruthlessness of the *Tonton Macoutes* was a serious affront to the United States, which had hopefully and generously financed the project.

In July, 1963, a mysterious invasion force landed in northern Haiti; it was composed of Haitian refugees led by exiled General Leon Cantave. It was not clear whether they had struck from Venezuela or from the Dominican Republic. Random reports told of guerrilla battles, of retreat to Dominican soil, of defeat for the rebels. In August, an O.A.S. investigating commission made its third trip to Port-au-Prince, with no startling results.

Thus matters stood in October, 1963. "Papa Doc" Duvalier still sat in the national palace, and no one—neither the Haitians nor the Americans—seemed to have any clear idea as to what should be done about him. He no longer enjoyed the lavish subsidy from the Washington treasury. But Duvalier's congress had solemnly proclaimed their chief as "the Renovator of the Haitian Nation," and who could belittle such honor? And Duvalier himself had made his position quite clear:

I am the personification of the Haitian people. I don't have to take orders from anyone, no matter where he comes from. Twice I have been given power, and I will keep it. God is the only one who will take it from me. No foreigner will remove me against the will of the people.

A CURRENT HISTORY Chronology covering the most important events of November, 1963, to provide a day-by-day summary of world affairs.

The Month in Review

By MARY KATHARINE HAMMOND
Instructor of History, Ohio Northern University

INTERNATIONAL

Alliance for Progress

Nov. 11—The second annual review meeting of the Alliance for Progress opens at São Paulo, Brazil, with 20 nations represented.

Nov. 14—The U.S. proposes an Inter-American Committee to "latinize" the administration of the Alliance program.

Nov. 18—The Alliance for Progress meeting ends after establishing an Inter-American Committee as the program's permanent executive agency. A chairman for the new body is to be elected on Jan. 15.

Berlin

Nov. 4—Again, a United States troop convoy of soldiers and vehicles is blocked by three Soviet armored personnel carriers at a checkpoint on the autobahn to West Berlin. The convoy is held up after Americans refuse to submit to a Soviet demand that the soldiers dismount for a head count.

Nov. 6—After a 41-hour delay, Soviet authorities drop their demand that U.S. soldiers dismount from their vehicles and allow the American convoy to proceed.

The U.S., Britain and France charge in notes to Moscow that the recent convoy delay was "an inadmissible attempt to prejudice the Allied right of free access to Berlin."

Soviet Premier Nikita Khrushchev tells a group of visiting U.S. businessmen that "it is possible you and I would not be here today" if the latest Berlin incident had not ended peaceably.

Nov. 12—The U.S. command in Berlin reasserts Western access rights by moving a 13-vehicle convoy on the autobahn and having it cleared on Western terms.

Nov. 21—The Soviet Union rejects a U.S. protest of the November 4 blockade.

European Economic Community (Common Market)

Nov. 21—A special panel established by the General Agreements on Tariffs and Trade (Gatt) estimates that the U.S. lost \$26 million because of the Common Market's increased duties on poultry imports.

North Atlantic Treaty Organization

Nov. 4—The ninth annual meeting of the Parliamentarians Association of Nato opens in Paris. The Secretary General of Nato, Dirk U. Stikker, warns in the opening address that it would be "disastrous" if the U.S. and Europe were to drift apart.

Nov. 5—Members of the Parliamentarians Association approve a resolution unifying Western policy on trade with the Soviet Union.

Nov. 7—The military committee of the Parliamentarians Association criticizes the U.S. proposal for a mixed-manned nuclear fleet as a "military superfluity and therefore a waste."

Nov. 18—U.S. Under Secretary of State George Ball tells the Nato Council that a limitation of trade credits to the Soviet Union for five years might help control Soviet arms expenditures.

Nov. 28—Reliable sources in Paris say the newly installed President Johnson has re-

affirmed U.S. support for the early organization of a mixed-manned nuclear fleet within the North Atlantic alliance.

Organization for African Unity

Nov. 18—The Organization of African Unity meeting at Addis Ababa names a seven-member commission to study and recommend a solution in the Moroccan-Algerian dispute.

United Nations

Nov. 1—The General Assembly approves an arrangement whereby Czechoslovakia and Malaysia will split a two-year term on the Security Council. Czechoslovakia is elected for the first year.

Nov. 5—A resolution, sponsored by 26 African-Asian countries, is introduced in the Trusteeship Committee urging all nations to stop shipping arms and petroleum to South Africa.

Nov. 6—The General Assembly, 73 to 2, calls on Britain to refuse independence to Southern Rhodesia until the colony establishes "majority rule based on universal adult suffrage."

Nov. 20—The Political Committee approves a U.S. resolution calling for continued efforts to resolve the plight of the Palestinian Arab refugees.

A declaration calling for elimination of all racial discrimination is adopted by the General Assembly, with South Africa casting the only negative vote.

Britain announces she will withdraw a reservation limiting the jurisdiction of the International Court of Justice in cases affecting Britain's national security.

Nov. 27—The General Assembly approves four resolutions on disarmament: a call to resume the 18-nation Geneva disarmament talks; the calling of a conference to draft an agreement banning the use of nuclear weapons; a request for a ban on all nuclear tests; and a suggestion that Latin Americans seek agreement on means to bar nuclear weapons from their countries.

ALBANIA

Nov. 11—The Albanian party newspaper,

Zeri I Popullit, accuses U.S.S.R. Premier Khrushchev of plotting with an exiled Albanian woman to overthrow the Enver Hoxha regime.

ALGERIA

(See also *Int'l. Organization for African Unity*)

Nov. 1—A cease-fire agreement between Algeria and Morocco in the disputed border fighting goes into effect.

Nov. 4—President Ahmed Ben Bella holds secret talks with some of his political foes.

Nov. 17—Mohammed Boudiaf, a major opponent of President Ben Bella, is released from prison.

Nov. 28—Algeria and Tunisia agree to utilize jointly the gas and petroleum of the Algerian Sahara "to meet the needs of both countries."

ARGENTINA

Nov. 8—President Arturo Illia confers with W. Averell Harriman, U.S. Under Secretary of State, about the controversy over oil contracts with U.S. firms.

Nov. 15—The government cancels its contracts with 8 oil companies. The cancellation decrees accuse the companies of bad faith, and insist that the contracts are not legal because former President Frondizi signed them without the required congressional approval.

Nov. 18—The government asks the federal courts to order 10 foreign-owned oil companies to return all payments made to them by the state under contracts that the government has cancelled. The government promises to pay back what was "really invested."

Foreign Minister Zavala Ortiz warns that his country can take stronger action than the U.S. if "reprisals" are to be used by either side in the oil contract dispute.

BRAZIL

Nov. 20—President João Goulart warns that Brazil is headed for a "social disaster of catastrophic proportions" if inflation is not controlled.

BRITISH COMMONWEALTH

Australia

Nov. 30—Prime Minister Sir Robert Menzies' Liberal-Country coalition wins an overwhelming victory as it secures 69 seats in the new House of Representatives. The Labor Party wins 50 seats.

Canada

Nov. 26—Ten provincial premiers convene at Ottawa in response to an invitation by the federal government to discuss the division of rights and responsibilities between the provinces and the federal government.

Nov. 29—In the nation's worst aviation disaster, 118 persons are killed in the crash of a Trans-Canada Air Lines DC8 jet.

Great Britain

Nov. 7—The Labor Party wins the Luton by-election with a 3,749 majority. In 1959, the Conservatives carried the seat by a majority of 5,019.

Sir Alec Douglas-Home wins the by-election in the Scottish constituency of Kinross. The Prime Minister wins 57 per cent of the vote, running against six opponents.

Nov. 12—Prime Minister Home outlines the Conservatives' program to the opening session of Parliament. He places heavy emphasis on achieving "economic growth matched by social advance."

Nov. 14—The government announces major regeneration plans for the two principal depressed areas—northeast England and central Scotland.

Nov. 20—Viscount Hailsham, Minister of Science, renounces his peerage and reverts to commoner status as Quintin Hogg. He will seek a seat in Commons in a December 5 by-election.

Nov. 27—The Government refuses demands of the Labor opposition to ease restrictions on immigration from Commonwealth countries.

India

Nov. 4—A two-day meeting of the All-India Party ends at Jaipur after approving res-

olutions praising democratic socialism and nonalignment in the cold war.

Nov. 11—In Jammu, Kashmir, 91 persons are injured in a riot by members of a Hindu political organization.

Nov. 26—A report issued in New Delhi reveals that India is showing a rate of economic growth less than half the rate anticipated. Low agricultural production is blamed for most of the lagging growth rate.

Malaysia

Nov. 20—The government accuses the U.S. of being "two-faced." It says that Washington, while expressing sympathy for the new country, contributes to Indonesia's military capacity to harass Malaysian territory on North Borneo.

Pakistan

Nov. 4—Pakistan complains to the U.N. Security Council that India is trying to seize control of a village near the cease-fire line in Kashmir.

Nov. 15—Pakistan demands the withdrawal of three members of the Indian High Commission in Karachi. The move follows India's action in declaring three members of the Pakistan High Commission at New Delhi unacceptable.

Nov. 28—The government demands that India close the office of its assistant high commissioner in Rajshahi, East Pakistan.

BRITISH EMPIRE

British Guiana

Nov. 10—Premier Cheddi Jagan informs British Prime Minister Home that the decisions to hold elections under an altered voting system and to delay independence are unacceptable.

Federation of Rhodesia and Nyasaland

(See also *Int'l., U.N.*)

Nov. 7—The government of Southern Rhodesia prohibits Joshua Nkomo, the African nationalist leader, from attending or addressing public gatherings for three months. His People's Caretaker Council is barred

from calling such meetings for a similar period.

Kenya

Nov. 22—Premier Jomo Kenyatta announces a mutual defense pact between Kenya and Ethiopia. The Premier says he has repeatedly complained to Somalia about six attacks by armed Somalis on border outposts of the Kenya police in the last six weeks. Somalia claims the Northeast Region of Kenya as its own territory.

CAMBODIA

Nov. 11—Prince Norodom Sihanouk announces the nationalization of import and export businesses and the nationalization of Cambodian banks as of the end of June, 1964.

Nov. 12—Sihanouk renounces U.S. military and economic aid as of January 1, 1964, and says French and U.S. troops must leave his kingdom. He says he will call in five Chinese Communist experts to help organize "state control."

Nov. 15—Sihanouk denies that his country is moving toward communism and says his action in terminating U.S. aid is based on alleged U.S. State Department backing for a secret anti-government radio station.

Nov. 19—Sihanouk severs all economic and military ties with the U.S., charging that such U.S. aid was being used to undermine him.

Nov. 20—The Foreign Minister of Communist China, Marshal Chen Yi, pledges "resolute support" for Cambodia in her "just and patriotic struggle against imperialism."

Nov. 21—Paris officials reveal that Prince Sihanouk has requested French economic aid to replace the U.S. assistance program.

Nov. 22—Sihanouk says that Communist China is "Cambodia's best friend" but asserts his country will not turn Communist unless its neutrality is threatened by South Vietnam or Thailand.

Nov. 24—Foreign Minister Huot Sambath asks Britain and the Soviet Union to call a nine-nation conference to negotiate a guarantee of Cambodia's independence and neutrality.

Nov. 27—Four Peking experts on banking arrive in Cambodia to begin work on a report to show the nation how to nationalize its banks.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

Nov. 17—The National People's Congress formally opens. Li Fu-chun, Chairman of the State Planning Commission, reports on the implementation of the 1963 plan for the national economy and on a draft plan for 1964. No details are made public.

Nov. 20—Foreign Minister Chen Yi promises "resolute support" for Cambodia, which has renounced U.S. aid, in its "just and patriotic struggle against imperialism."

Nov. 24—The official press agency bitterly criticizes U.S. President Lyndon Johnson, calling him a supporter of the late President Kennedy's "trickery policy."

Nov. 28—A Chinese Communist delegation to the World Peace Council, meeting in Warsaw, refuses to join the 300 other delegates in paying homage to the late President Kennedy and protests angrily against such a gesture.

CONGO, REPUBLIC OF THE (Leopoldville)

Nov. 20—State security police arrest two Soviet diplomats, beat them and seize "documents of the utmost importance." Premier Cyrille Adoula calls an emergency cabinet meeting to discuss "compromising" documents said to be connected with a plot by dissident Congolese elements to overthrow his regime with Russian aid.

Nov. 21—The government orders the expulsion of the entire 100-member staff of the Soviet Embassy.

Nov. 23—The Soviet Union officially terms as "absurd" the charge that letters found on Soviet diplomats link them to enemies of the Adoula regime. The U.S.S.R. charges that Major General Joseph Mobutu, commander-in-chief of the Army, "led and took a personal part" in the beating of two Soviet officials.

CUBA

Nov. 10—Dr. Juan Marinello is reported to

have been dismissed as rector of the University of Havana. This is one of many moves replacing pro-Moscow Communists with men primarily loyal to Premier Fidel Castro.

Nov. 24—In a two-hour radio address, Castro warns the Cubans that the assassination of President Kennedy could change U.S. foreign policy "from bad to worse."

Nov. 27—Foreign Minister Paul Roa, in a strongly worded note to the Mexican government, accuses it of complicity in a "reactionary plot" to link the Castro regime to the Kennedy assassination. Cuba protests the arrest of an employee of the Cuban consulate in Mexico City.

DAHOMEY

Nov. 8—President Hubert Maga and Vice President Sourou Migan Apithy announce their formal resignations following an army coup October 28 and the assumption of power by Colonel Christophe Soglo. Maga becomes foreign affairs minister and Apithy becomes finance minister.

DOMINICAN REPUBLIC, THE

Nov. 1—The ruling junta arrests Juan Casasnovas, former president of the Senate, who contends he is the rightful Provisional President.

Nov. 27—The Government announces that general elections for president and vice president will be held July 15, 1965.

ETHIOPIA

(See also *British Empire, Kenya and Somalia*)

Nov. 13—Emperor Haile Selassie declares his patience with Somalia is "not without limit." As border tensions increase, he says his government takes an ominous view of the new \$30 million in military aid granted Somalia by the Soviet Union.

Nov. 21—Emperor Selassie accuses Somalia of instigating and supporting acts of aggression against Ethiopia.

FRANCE

Nov. 7—Street fighting between 1,500 students and police erupts in Paris in protest over a lack of classrooms and other educational facilities.

Nov. 24—Premier Georges Pompidou indicates to a convention of the Gaullist party that President Charles de Gaulle intends to continue in office at least nine more years. The delegates are told that De Gaulle feels it is imperative that he retain office until 1970, a year after the military agreement of the North Atlantic Alliance comes up for revision.

Nov. 26—A 34-hour nationwide rail strike begins in protest against government efforts to restrain wage increases.

Nov. 28—The National Assembly approves the formation of a national employment fund to help unemployed workers who lose their jobs to retrain or move to other areas.

GERMANY, FEDERAL REPUBLIC OF (West)

Nov. 14—Finance Minister Rolf Dahlgrün introduces in Parliament restitution law amendments to increase by more than \$1 billion payments to victims of Nazi persecution.

Nov. 19—The Cabinet approves a record \$15.1 billion budget for 1964.

Nov. 22—Ending a two-day visit with French President de Gaulle in Paris, Chancellor Ludwig Erhard says he has faith in U.S. readiness to protect Europe against Soviet attack.

Nov. 25—About 250,000 Berliners assemble for ceremonies renaming the main square in honor of John F. Kennedy.

GREECE

Nov. 3—In national parliamentary elections, the opposition Center Union party, headed by George Papandreu, wins 140 seats with 42 per cent of the vote. Constantine Caramanlis' National Radical Union, with 39 per cent of the vote, wins 128 seats. The pro-Communist United Democratic Left secures 30 seats.

Nov. 6—Papandreu accepts an invitation from King Paul to form a new government.

INDONESIA

Nov. 7—First Minister Djuanda Kartawidjaja dies.

Nov. 13—President Sukarno names himself Premier, reviving the post which was abolished in 1959. He eliminates the First Ministership.

Nov. 21—It is disclosed that since September the U.S. has suspended shipment of weapons to Indonesia because of that country's hostile attitude against Malaysia.

Nov. 30—Indonesia and Communist China sign an agreement under which the Chinese will supply 40,000 tons of rice to meet shortages in Indonesia.

IRAN

Nov. 20—A Soviet MIG fighter shoots down an Iranian civil surveying plane in northeastern Iran. Soviet President Leonid Brezhnev, in Teheran on a state visit, expresses regret over the incident.

IRAQ

Nov. 13—The Baathist regime appears to have quelled a revolt led by Deputy Premier Saleh el-Saadi, who, with four of his main followers, is deported to Madrid.

Nov. 15—The international committee of the Baath party, headed by Michel Aflaq, takes control of the government. A second group of party dissidents, headed by Interior Minister Hashim Jawad, is denounced as "deviationist" and deported to Beirut.

Nov. 18—President Abdel Salam Arif says his forces have overthrown the Baathist government. President Arif announces the formation of a Revolutionary Council with himself as President and Chief of Staff of the Army.

Nov. 21—The new Premier, Lt. Gen. Taher Yahya, says his government will seek to fulfill the pact of union signed April 17 among Iraq, Syria and the United Arab Republic.

Nov. 22—President Arif offers to make peace with "the Kurds, our brothers" and to set the new government on a middle-of-the-road course.

Nov. 27—The Baghdad Radio discloses that the Syrian troops, in the country since July, are being withdrawn.

ITALY

Nov. 5—The transition government of Premier Giovanni Leone resigns.

Nov. 11—President Antonio Segni asks Aldo Moro, political secretary of the Christian Democratic party, to form a new government.

Nov. 23—Premier-designate Moro announces agreement has been reached with leaders of three other parties on a political program to form a coalition center-left government. The four parties in the coalition are to be the Christian Democrats, the Republicans, the Democratic Socialists and the Left-Wing Socialists.

JAPAN

Nov. 9—Over 600 are killed in a coal-mine explosion and a train wreck. The Socialist party charges the government with failing to supervise safety precautions in the mining and transportation industries.

Nov. 21—In nationwide elections for the House of Representatives, Premier Hayato Ikeda's Liberal-Democratic party wins 283 seats and the Socialists secure 144.

Nov. 30—Japan protests to the Soviet Union over the Russian decision to use part of the Pacific for rocket testing. Japan reserves the right to seek compensation for any damages incurred by its nationals as a result of the firings.

KOREA, REPUBLIC OF (South)

Nov. 26—Elections are held for the National Assembly. The ruling Democratic Republican party wins a majority of nearly two-thirds in the 175-seat legislature.

LAOS

Nov. 16—General Kong Le of the neutralist forces and General Singkapo Chounrathany, commander-in-chief of the pro-Communist Pathet Lao, agree to proclaim a ceasefire in the Plaine des Jarres area, where fighting has been raging for two weeks.

Nov. 17—The cease-fire agreement is threat-

ened when four neutralist soldiers are killed by a mine and others are fired upon by Pathet Lao forces.

Nov. 19—The Pathet Lao commander-in-chief rejects a neutralist suggestion that mixed patrols police the cease-fire area, or that the task be carried out by the International Control Commission.

Nov. 29—The U.S. assures the Laotian government that the administration of President Johnson will continue to support the Geneva agreement guaranteeing Laos' neutrality.

MOROCCO

(See also *Algeria, Int'l., Organization for African Unity*)

Nov. 13—King Hassan II appoints Ahmed Bahnini Premier. He forms a moderate pro-Western Cabinet.

Nov. 18—The first Parliament opens. The government hails the results of the Addis Ababa conference on the Algerian-Moroccan border dispute as a victory for Moroccan diplomacy and a condemnation of the United Arab Republic.

Nov. 27—The Foreign Ministry announces that trade relations with Cuba have been resumed despite the October 31 break in diplomatic relations because of Cuban delivery of Soviet-made arms to Algeria.

PARAGUAY

Nov. 13—"State of siege" regulations are terminated in 10 of the nation's 14 provinces.

POLAND

Nov. 2—The government orders students of four of the country's largest Roman Catholic seminaries to report for military service. Seminarians had previously been exempted from military duty.

Nov. 29—The central committee of the Communist party meets in Warsaw to discuss the 1964 economic program for the nation and to analyze the failures of the 1963 program.

SOMALIA

(See also *Ethiopia*)

Nov. 5—The government informs the U.S., West Germany and Italy that Western military aid will not be needed.

Parliament ratifies a new trade agreement with Communist China.

Nov. 15—A spokesman for Somalia insists his country accepted military aid from the Soviet Union because the U.S. withheld requested aid for a 20,000-man Somali army.

SOUTH AFRICA, REPUBLIC OF

Nov. 20—National elections are held in Transkei, the first of South Africa's eight proposed Bantustans, or all-black enclaves. A massive turnout is reported in the first election for black Africans in a program aiming to place the country's blacks and whites under separate governments by the year 2000.

Nov. 21—The Minister of External Affairs, Eric H. Louw, announces his retirement, effective December 31. He is to be succeeded by Hilgard Muller, Ambassador to Britain.

SPAIN

Nov. 21—Three key cabinet members, returning from a visit with French officials, stress the importance of Spain's present "opening toward Europe."

Nov. 25—France signs a \$153 million loan agreement with Spain, to be used for modernization of Spanish industries.

SYRIA

Nov. 12—Premier Salah el-Bitar resigns. A new government is formed under the premiership of the President of the Revolutionary Council, Major General Amin el-Hafez.

TUNISIA

(See *Algeria*)

TURKEY

Nov. 17—In nationwide local elections candidates of the opposition Justice party defeat

most candidates of the People's Republican party of Premier Inonu.

Nov. 26—The Peasants Nation party votes to withdraw from Premier Inonu's three-party coalition government.

Nov. 27—The leader of the New Turkey party announces his group will withdraw from the ruling coalition.

U.S.S.R., THE

Nov. 1—In a major step toward perfecting rendezvous techniques in space, the government announces the launching of a new type of maneuverable satellite.

Nov. 6—Premier Khrushchev says the Soviet Union intends to continue its moon program, at a leisurely rate and without a time limit.

Nov. 12—A Soviet press agency reports that Frederick Barghoorn, a Yale professor, was arrested "the other day in Moscow for espionage."

Nov. 15—Deputy Foreign Minister Zorin declares that the fate of Barghoorn is for Soviet "legal authorities" to decide. It is revealed he was arrested October 31 and that U.S. consular officials have been denied permission to see him.

Nov. 16—Soviet authorities announce the release and expulsion of Barghoorn.

Nov. 23—Khrushchev calls at the home of U.S. Ambassador Kohler to express his sorrow over the death of President Kennedy.

Nov. 29—It is announced that beginning December 2 the Soviet Union will launch a new series of rockets into the central Pacific.

UNITED STATES, THE

Civil Rights

(See *Segregation and Civil Rights*)

Economy

Nov. 5—The Federal Reserve Board increases from 50 to 70 per cent the margin requirements for buying stocks.

Nov. 14—The Commerce Department reports that for the third quarter of 1963 the U.S. international balance of payments deficit was \$385 million, the lowest for any quarter since 1957.

Nov. 15—Official reports indicate that October industrial production has set a new record, that non-farm jobs rose by 100,000, and that unemployment remained at 5.5 per cent of the labor force.

Nov. 22—The N.Y. Stock Exchange shuts down an hour ahead of time because of the assassination of President Kennedy. Stocks drop to their lowest level since May, 1962.

Nov. 25—The N.Y. Stock Exchange is closed because of the funeral of John F. Kennedy.

Nov. 26—Stock prices soar in the biggest one-day rally in market history. The paper market values on the N.Y. Stock Exchange are up a record \$15 billion.

Foreign Policy

(See also *U.S., Government; Int'l., Alliance for Progress and Berlin; Argentina; and The U.S.S.R.*)

Nov. 4—Vice President Johnson begins a week's visit to Luxembourg, Belgium and the Netherlands.

Nov. 7—The U.S. extends recognition to the new provisional government of South Vietnam.

Nov. 8—In the face of congressional cuts in the foreign aid program, and restrictive amendments, Secretary of State Dean Rusk warns against the "tendency of Congress to legislate foreign policy."

In the first purchase of U.S. wheat by a Soviet-bloc country in recent years, Hungary buys 100,000 tons for \$7.6 million.

Nov. 12—In new travel restrictions, the U.S. bars diplomats of Bulgaria, Czechoslovakia, Hungary, Poland and Rumania from about 11 per cent of the continental U.S.

Nov. 13—Foy D. Kohler, U.S. Ambassador to the Soviet Union, demands the immediate release of Yale professor Frederick C. Barghoorn, arrested in Moscow Oct. 31 on charges of espionage.

Nov. 14—President Kennedy asserts that Barghoorn is "innocent of any intelligence mission" and demands his immediate release.

The Commerce Department reports that 100,000 more tons of wheat have been sold to Hungary for \$8 million.

Nov. 17—Barghoorn returns to the U.S. after being held 16 days as a prisoner of the Soviet Union. He says he has no idea why he was accused of espionage.

Nov. 19—Barghoorn informs the State Department of the details of his Soviet arrest. He says he was arrested by the police immediately after a stranger thrust a rolled up paper into his hands.

Nov. 24—Following a meeting between the newly-installed President Lyndon Johnson and Henry Cabot Lodge, U.S. Ambassador to South Vietnam, the President reaffirms the policy objectives of the late President Kennedy regarding the Vietnam struggle.

Nov. 25—Following the funeral of John Kennedy, Johnson confers with representatives of the major world powers who are in Washington for the services.

In a telegram to Premier Khrushchev, President Johnson assures the Soviet Union he intends to continue the Kennedy efforts to improve East-West relations.

Nov. 26—The Senate rejects a bill that could have blocked the sale of wheat to the U.S.S.R. and its satellites.

Johnson tells 100 Latin-American leaders he will try to carry forward the Alliance for Progress in the same manner as his predecessor.

Adlai Stevenson, U.S. Ambassador to the U.N., assures the General Assembly that the new administration will continue to support the U.N. and work to reduce East-West tensions.

Johnson confers individually with Emperor Haile Selassie, British Prime Minister Home, Philippine President Macapagal, Turkish Prime Minister Inonu, Soviet Deputy Mikoyan, West German Chancellor Erhard and President Lubke, and Irish President de Valera.

Nov. 27—Senate-House conferees remove from the foreign aid measure provisions depriving the president of discretionary power to aid Communist countries if he finds it vital to U.S. interests.

Nov. 30—Soviet Ambassador Anatoly Dobrynin voluntarily turns over to Secretary Rusk a Soviet consular file on Lee Oswald, alleged assassin of President Kennedy.

Government

Nov. 5—The State Department removes Otto Otepka as its chief security evaluations officer. He is charged with giving confidential documents to a Senate Internal Security subcommittee.

Nov. 8—The Senate Rules Committee hears evidence that Robert Baker, former secretary to the Senate Democratic majority, did obtain shares in a finance company just before the Internal Revenue Service reversed an unfavorable tax decision against the company. It is also disclosed that John Byrnes of Wisconsin, ranking Republican of the House Ways and Means Committee, took an active interest in the company's tax problems after he had purchased some of its stock.

Nov. 9—It is disclosed that the head waiter of the House dining room accompanied a group of Congressmen attending the Nato Parliamentarians conference in Paris.

Nov. 12—Texas commodity dealer Billie Sol Estes refuses to tell congressional investigators anything about his financial activities.

Nov. 13—An American-owned packing plant in Haiti is disclosed to be still paying Robert Baker a commission on every pound of meat exported to the U.S. and Puerto Rico.

The House approves a bill authorizing \$102 million for the Peace Corps.

Nov. 14—President Kennedy tells his news conference he fears Congress is unlikely to complete action this year on his programs for tax reduction and civil rights.

Nov. 15—The Senate approves a \$3.7 billion foreign aid authorization bill, \$800 million less than requested by the Administration.

Nov. 18—Kennedy, pleading for his tax program, tells a meeting of the Florida Chamber of Commerce that the present business boom should dispel doubts that his administration is anti-business.

Nov. 20—The Senate refuses Administration

requests to restore \$612 million cut by the House in appropriations for the National Aeronautics and Space Administration. It approves the \$5.1 billion budget adopted by the lower chamber.

Nov. 21—The Senate passes and sends to the White House a bill raising the national debt ceiling to \$315 billion.

Nov. 22—In a motorcade en route to a luncheon President Kennedy is killed in Dallas, Texas, by two rifle shots fired by an unseen assassin from a building along the route. Police arrest Lee H. Oswald, described as a one-time defector to the Soviet Union and a member of the Fair Play for Cuba Committee. Gov. John B. Connally of Texas, riding in the same car, is seriously wounded by a third shot.

Lyndon Baines Johnson is sworn in as the 36th President of the United States.

Nov. 23—Dallas police assert they have amassed enough evidence to convict Oswald of the assassination of President Kennedy.

Nov. 24—A Dallas night-club owner, Jack Ruby (Rubenstein), fatally shoots Oswald in the city jail as he is being transferred to the county jail.

The body of John Fitzgerald Kennedy lies in state in the Capital; hundreds of thousands file past to pay their respects to the late President.

Nov. 25—John Fitzgerald Kennedy is buried at Arlington National Cemetery after a solemn funeral procession and requiem mass at St. Mathews Roman Catholic Cathedral. The nation watches the procession, funeral and burial on coast-to-coast television.

Among the officials of nearly 100 nations attending the event are President Charles de Gaulle of France, Emperor Haile Selassie of Ethiopia, King Baudouin of Belgium, Queen Frederika of Greece, Prince Philip of Britain, Anastas Mikoyan, First Deputy Premier of the Soviet Union, and Chancellor Ludwig Erhard of West Germany.

Nov. 26—A Dallas County grand jury in-

dicts Jack Ruby for the murder of Lee Oswald.

The Senate defeats a bill which would have halted the sale of wheat to the Soviet Union by banning the use of the Export-Import Bank or any other federal agency in financing trade with Communist countries.

Nov. 27—President Johnson, addressing a joint session of Congress for the first time since the death of John Kennedy, calls for the "earliest possible passage" of a civil rights program and a tax reduction measure.

The Senate confirms Paul H. Nitze as Secretary of the Navy.

Johnson signs his first two bills into law—one on the disarmament agency's budget and the other raising the national debt ceiling to \$315 billion.

Nov. 28—In a Thanksgiving address to the nation, Johnson calls for a "new American greatness" to arise from the memory of John Kennedy.

Nov. 29—Johnson names a special presidential commission, to be headed by Chief Justice Earl Warren, to investigate all the details of the assassination of the late President and the killing of his suspected assassin, Lee Oswald.

Nov. 30—Implementing his pledge to Congress to exercise all possible thrift and frugality, Johnson informs top officials he will hold their new budgets "to the barest minimum consistent with the efficient discharge of our domestic and foreign responsibilities."

Labor

Nov. 6—The International Brotherhood of Teamster's policy committee votes to seek wage and fringe-benefit increases from the trucking industry amounting to \$600 million over three years.

Nov. 15—Addressing the fifth biennial convention of the American Federation of Labor and Congress of Industrial Organizations, President Kennedy says that providing jobs is the most important issue facing the country.

Nov. 20—An attorney for James Hoffa is disbarred from Federal Court in Nashville on the ground he attempted to bribe a prospective juror in the Hoffa jury-tampering trial.

Nov. 26—An arbitration board rules that 90 per cent of the diesel locomotive firemen's jobs are unnecessary and eventually can be eliminated.

Military

Nov. 14—The Pentagon announces plans to bring home three tactical air transport squadrons based in France.

Nov. 19—Secretary of Defense Robert McNamara and General Maxwell Taylor, Chairman of the Joint Chiefs of Staff, fly to Honolulu to confer on the Vietnamese situation with Ambassador Lodge and General Paul Harkins, head of the U.S. military advisory group in Saigon.

Nov. 20—McNamara strengthens the Air Force role in the space program by re-organizing military service responsibilities for various launching and tracking facilities.

The Army successfully fires the Pershing, its newest nuclear missile, which will replace the Redstone missile in Europe early in 1964.

Nov. 27—The first known powered flight of a liquid-hydrogen rocket is successfully fired at Cape Canaveral.

Nov. 28—President Johnson renames Cape Canaveral as Cape Kennedy; the space installation on adjacent Merritt Island is named the John F. Kennedy Space Center.

Nov. 29—Paul H. Nitze is sworn in as Secretary of the Navy.

Politics

Nov. 7—New York's Governor Nelson Rockefeller announces that he is a candidate for the Republican nomination for President.

Nov. 20—Sen. Thruston Morton, chairman of the Senate Republican Campaign Committee, says that Senator Barry Goldwater is assured of from 385 to 400 votes at the Republican National Convention next

year, whereas Rockefeller can count only on 92 votes of New York's delegates.

Nov. 21—President Kennedy opens a two-day tour of Texas, combining a strong defense of his space program with efforts to heal the split in the Texas Democratic party.

Nov. 25—The Republican National Committee announces that because of the assassination of President Kennedy, G.O.P. spokesmen will make no political speeches for the next 30 days.

Segregation and Civil Rights

Nov. 1—A panel of three Federal judges declares the Georgia insurrection law unconstitutional and issues an injunction prohibiting the state from prosecuting four civil rights workers on insurrection charges.

Nov. 6—The Delaware Supreme Court rules that a state may not enforce a private owner's exclusion of Negroes from his place of business.

Nov. 18—In considering five sit-in cases argued before it last month, the U.S. Supreme Court asks the Justice Department for its view on whether a state may ever enforce a private owner's decision to exclude Negroes from his place of business.

Nov. 27—A Federal court rules against Louisiana's "interpretation" test for voter registration.

VATICAN, THE

Nov. 15—Pope Paul VI meets with the entire leadership of the Ecumenical Council to resolve an impasse over relations between the Bishops and the Roman Curia and to set procedures for the final two weeks of the Council's session.

Nov. 18—The Ecumenical Council begins discussion of a proclamation on Christian unity. The declaration absolving Jews of guilt in the death of Jesus comes under heavy attack by three patriarchs from Middle Eastern countries and an Italian cardinal.

Nov. 19—The introduction of a text reiterating the Roman Catholic Church's belief

in religious liberty is hailed by the Ecumenical Council.

Nov. 21—The Council approves the use of vernacular languages for the Roman Catholic sacraments.

VENEZUELA

Nov. 19—Pro-Castro terrorists begin a major effort to disrupt the presidential elections scheduled for Dec. 1. Snipers kill at least five persons and injure 45.

Nov. 20—As terrorist sniping attacks continue, over 350 persons are arrested.

Nov. 25—Members of the clandestine National Liberation Army damage six oil pipelines and a high pressure gas line, starting major fires.

Nov. 27—A U.S. Army colonel is kidnapped in Caracas by members of the National Liberation Army.

Nov. 28—In the rising campaign to overthrow the government of President Romulo Betancourt, an airliner is hijacked and forced down in Trinidad.

The government officially charges Cuba with being the source of a three-ton cache of arms found buried on a beach November 3. It calls on other Latin American nations to support a protest to the Organization of American states.

Nov. 30—Leaflets are showered on Caracas warning the people to stay indoors the day of the election or risk being shot.

VIETNAM, SOUTH

Nov. 1—An uprising of military leaders overthrows the government of President Ngo Dinh Diem. The Saigon radio reports that the President and his brother, Ngo Dinh Nhu, committed suicide.

Nov. 2—Mrs. Ngo Dinh Nhu, visiting in the U.S., says it is impossible that her brother and brother-in-law killed themselves. She says "no one seriously believes American disclaimers" that the U.S. had nothing to do with the military revolt.

Nov. 4—Major General Ton That Dinh, leader of the successful rebellion against

the Diem government, says the revolt was carried out because "we would have lost the war under Diem."

Nov. 5—U.S. officials in Saigon turn over to the military government a brother of the dead president, Ngo Dinh Can. He is charged with having ruled the central coastal region as a tyrant.

Nov. 7—Security Minister Ton That Dinh lifts the 4-day curfew imposed on Saigon and orders the end of press and radio censorship.

Nov. 9—The U.S. agrees to resume the commodity-import aid program, suspended in August.

Nov. 15—General Duong Van Minh, head of the ruling military junta, says free elections will be held within "6 to 12 months."

The head of the U.S. Military Advisory Assistance Group in Saigon, Major General Charles Timmes, says the withdrawal of 1,000 U.S. servicemen will start December 3.

Nov. 20—U.S. Ambassador Henry Cabot Lodge and military advisor General Paul Harkins meet in Honolulu with U.S. Defense Secretary McNamara and Chairman of the Joint Chiefs of Staff Maxwell Taylor to discuss military strategy in Vietnam.

Nov. 22—The revolutionary council dismisses 31 high ranking military officers for having favored the Diem government.

Nov. 24—Vietcong guerrillas slip past sentries at a training camp, kill 37 soldiers and capture 4 Americans.

Nov. 25—Military sources report that rebels have wiped out two strategic villages in the north, and that 1,000 of the defenders are missing.

Nov. 27—Fighter-bombers drive off 200 guerrillas attacking an American-Vietnamese Special Forces camp near the Cambodian border.

Nov. 29—Returning to Saigon, Ambassador Henry Cabot Lodge says the U.S. will continue maximum support of Vietnam's "struggle to win and maintain independence."

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